Geologist on Great Bear Lake

Background of Reparations Conference

Largest Circulation of Any Canadian Financial Paper

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Canadian Mining News Department Page 20

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The Nation's Business

Minimum Prices on Stock Exchanges Unfair to Investors

Should be Ended Forthwith

Signs of Economy in Government

Minimum Prices Should Go at Once

CANADIAN stock exchanges should wipe their lists entirely clear of arbitrarily set minimum prices.

Piecemeal progress toward a free market is being made by Montreal Stock Exchange and Montreal Curb Exchange, which are the chief remaining offenders, but that progress is altogether too slow and the business of buying and selling stocks will lie under a cloud of suspicion so long as Canadians are refused a market on a long list of important stocks held by them.

One is reminded of King Canute's famous rebuke to flattering courtiers. No group, however powerful, can stop a decline in prices by raising a protesting hand and saying in effect with regard to any one stock or group of stocks, "Thus far and no farther!" The very conditions which frighten them into establishing minimums are apt to carry prices to some unknown point beneath the minimums, leaving the minimums high and dry and meaningless while visible trading dies away.

* * *

NOBODY believes in the setting of minimum prices as a permanent policy. For a few days when Great Britain went off the gold standard, it was doubtless a good device to give investors a chance to get over their momentary panic and to act with intelligence instead of under the spur of panic. But that was nearly four months ago and it is too long a period to withhold a market from Canadians. Suppose prices did go lower under free trading; there would still be "some" market instead of "no market" as at present and lower prices would stimulate buying by those in search of bargains. Today the stock exchanges might as well be closed so far as the stocks quoted at their minimum prices are concerned.

Some defend minimum prices by saying there would be disaster to some firms if a free market were brought suddenly. That is to say, the public is asked to believe that banks have advanced brokerage loans on the basis of minimum prices and that further demands for margin would be made if real prices under a free market proved lower. It is unlikely that banks would take too great chances with the money of their depositors under any method of trading, and they could be just as considerate under free trading conditions as at present.

* * *

IT IS well to have faith in Canada, but a poor way to show it is by establishing minimum prices on stocks in the hope that a return toward better business conditions will later more than justify the minimums. It is probably true that some of the stocks with prices arbitrarily shown at minimum appear to be worth intrinsically more than these arbitrary prices but the experience with markets since September, 1929, shows the danger and folly of trying to substitute intrinsic values for values determined by the free play of all stock market agencies. Investors have seen prices sink repeatedly under the play of world-wide economic forces to levels below those which had been regarded as based on intrinsic values. A greater faith in Canada would be shown by letting the markets reflect actual conditions, not only the earnings and financial strength of companies whose stocks are listed, but the conditions made by the available investment funds in the hands of the public being pitted against the degree of need to liquidate securities by all holders.

* * *

WHY should the investor be penalized because of the desire to protect supposedly weak positions of speculators? The investor should be the primary concern of the stock exchanges. Their function is to provide him with a free market in which he can buy and sell all listed securities.

"Pegging" of a stock, as distinguished from the setting of a minimum price below which trading will not be permitted may be a valuable aid to a market. "Pegging" is an operation by which one man or a group of men prevent a stock sinking below a certain level by actually purchasing the stock. They back their opinion with their money so long as they are able.

But nobody is backing minimum prices with his money. On the contrary, the system is being used as a smoke screen to protect people who hope that rising prices will save them loss. Every interest but the interest of the investor has apparently been considered for the last four months. It is time for his innings. He will show that he is in the market to buy as well as

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BUILDING PROD. EARNED NEEDS FOR COMMON

Profits Expected to Cover Dividends of $2 Per Share

EXTEND PRODUCTION

Asphalt Floor Tile Unit in Hamilton Will be Completed This Month

From Our Own Correspondent

MONTREAL.—Though business of Building Products Ltd. during 1931 fell somewhat short of the previous year it is understood that earnings were sufficient to cover the $2 dividend paid on the class "A" and "B" shares. The financial statement is in course of preparation and will be available shortly; in 1930, income account showed earnings equal to $2.70 a share on the "A" and "B" shares.

The past year was one of expansion for Building Products and the company has entered the current period with more comprehensive plant facilities than ever in the past. Financial position is also reported as satisfactory; no money is owed to the banks and working capital is stated to compare favorably with the $1,827,925 shown at the end of 1930.

Completes Final Unit

During the current month Building Products expects to complete the programme of plant extension which it began over a year ago, and its production schedule will be finally rounded out. The last unit, on which finishing touches are being placed at Hamilton, will be utilized for the manufacture of an asphalt floor tile, hitherto not produced in Canada and for which a ready market is anticipated.

The other unit added to the Hamilton plant was completed in April, and produces what is known as a pre-molded asphalt plank and molding. This is used as an expansion joint in concrete highways and a surfacing for bridge-plank and industrial floors; production has met with encouraging results.

Output is Diversified

In its other activities Building Products has been able to hold its sales at a relatively satisfactory level in spite of existing conditions. Sales of Insul-Board have been affected to some extent by the decline in constructional activity though diversification of output generally has tended to stabilize total sales.

A substantial export business has been built up in the Insul-Board division; Great Britain has provided the greatest demand up to the present though shipments are made to France, Japan and various other countries. The exchange situation may tend to hamper export trade, though as yet its effect is understood to have been relatively small.

Insul-Board Important

Production of Insul-Board is one of the more important factors in the company's operations. Manufacture is undertaken at Portneuf, whither production was transferred when the Port Alfred mill of Canada Power and Paper Corp. was closed. Though the board was originally manufactured at Portneuf, as it is today, production was moved to Port Alfred following the formation of National Forest Products, jointly controlled by Building Products and Canada Power and Paper. The object of National Forest Products was to develop Insul-Board and other lines of building materials from wood products. However, the Port Alfred mill has been shut down for over a year and whether National Forest Products will resume its activities there is as yet undecided.

Fibre Case Market Stronger

At Portneuf, Building Products also manufacture fibre shipping cases from raw material to finished product. There has been some falling off in sales, but it is pointed out that these cases constitute but 5 per cent of total output and to some extent represent the utilization of a by-product. There has been apparent, however, some improvement in the market as a whole, a factor which is expected to find reflection in production of fibre cases at Portneuf.

In addition to these items, Building Products manufactures a wide line of building materials, which includes asphalt shingles, roll roofing, roofing felt, and allied products. The paper mills are located at Portneuf and Pont Rouge, while roofing plants are situated at Montreal and Hamilton.

Only Common Stock Issued

The company's capital structure comprises 116,346 shares of "A" and 4,500 shares of "B" stock, both of no par value. Both these stocks rank equally as far as dividends are concerned but the class "B" stock is privately held and retains the only voting rights. Preferred stock totalling $700,000 was issued to take over the preferred shares of the companies concerned in the merger, which comprises the present organization, but this preferred was redeemed in 1929 leaving the present "A" and "B" shares the sole securities outstanding.

Earnings in 1930, after adding income from investments and deducting reserve for contingencies and depreciation, amounted to $326,434 compared with $418,482 in the previous year.

Service Loan Cash Dwindles as Ottawa Finances Provinces

Pressing Needs of Local Governments Met Federally

MAY CHANGE POLICY

Central Government May Call Halt to Campaign of Looking After Troubles of Others

From Our Own Correspondent

OTTAWA.—The field of government finance, surveyed from Ottawa, presents a spectacle of confusion and uncertainty as the New Year opens, and the various legislative bodies prepare for their annual business of law making.

In the sphere of federal finance, the outlook is beclouded by some uncertainty as to the portfolio of finance. When will Premier Bennett turn this post over to another? There is the additional uncertainty of how far the government will go in pursuit of economy, in balancing the budget, in aiding provincial governments. Will the session see an attempt to balance the budget by economy plus higher taxation, and, if so, what will be the proportion of each? If not, when may the country expect the next National Service Loan?

Provinces Come to Ottawa

In the provincial sphere, future uncertainty centres upon the ability of the provinces to finance their present capital and relief programmes. Will the next few months see most of our provinces dependent financially upon Ottawa? That is the present drift, and only resolute discouragement from Ottawa will prevent a condition of this kind arising.

These are questions of interest to the business community. Probably few who are not in close touch with day to day developments on Parliament Hill realize how quickly events have been marching in the past six weeks.

In regard to finance ministership, the forecast made in The Post of November 21—that Hon. E. N. Rhodes would likely succeed Mr. Bennett—still holds good. It is of interest, however, that there have been strong rumors, from time to time, that Mr. Bennett planned to reform his ministry into a national government. It has been whispered that Hon. Charles Dunning, perhaps Hon. W. D. Euler, would be invited to come in, and take over their old portfolios of Finance and National Revenue. In the present condition of the country, a national government is by no means an impossibility. But there is nothing to indicate that Mr. Bennett has begun any negotiations in this regard, and as far as Messrs. Dunning and Euler are concerned it may be stated emphatically that no overtures of any kind have been made.

The chances are, therefore, that Mr. Rhodes will be confirmed in the finance portfolio and will bring down the next budget. This will be a distinct advantage to those who are opposed to a turnover tax. Mr. Rhodes is believed to share the views of business men in this regard. As a matter of fact the strong antagonisms to such a tax shown by the commercial interests of the country in the last two months, has made a deep im-

(Continued on page 2, col. 5)

N. B. Bond Issue Moves Out Slowly

Placement of the $5,062,000 issue of New Brunswick debentures by a large group of banks and investment bankers is considered to be progressing as satisfactorily as was expected under present market conditions. It is understood that since offering was made on January 6 over $3,000,000 of the issue has been placed.

Ontario funding operations to the extent of $40,000,000 loom in the near future although it is possible that the prospective issue may be smaller than that figure. Montreal will also be in the market with bonds. It is ex- will have a 5½ per cent cou- pected that the Ontario bonds pon and be offered at a discount with a yield of less than 6 per cent.

War Debts Repudiation May Follow Lausanne

Outline of Reparations Problem Indicates Intimate Relationship to Debts Due United States

By A. F. W. PLUMPTRE

On January 18 representatives of leading nations meet at Lausaune to discuss the future of German reparations. The world of business will watch eagerly for some sign of final disposal of this tangled and embarrassing problem. What are the chances in favor of such a result?

Chancellor Bruening, the leader of the moderates in Germany, has at last been forced into line with the radicals of National Socialism and of Communism and has repudiated reparations. No one with any insight into German popular opinion believes that the public will ever again stand for these payments. Nevertheless, France will only agree to reduce reparations if similar concessions are forthcoming on war debts due to the United States. And the United States Congress has recently announced that there will be no further concessions. Such is the existing deadlock. The manner in which this deadlock is broken will have considerable influence upon world business in coming years.

Forced German Deflation

The irresistible force of allied reparation demands first met the immovable object of Germany's inability to pay in the period following 1921. The result was the German inflation which well nigh completed the economic chaos which was started in the "War to end war" and consciously extended by the "Peace to end peace."

The Reparation Commission, reporting in May, 1921, simply made an estimate of the monies necessary to repair war damage and pay war pensions. Germany's capacity to pay, that is Germany's ability to build up an export surplus, was not considered; and the Commission's demands were far in excess of this capacity. The result was that the German government, using the marks raised by loans or taxation to buy foreign currencies in which reparations were payable, depreciated the exchange value of the mark. This depreciation and internal inflation ran hand in hand until the mark, in 1923, became worth one million-millionth of its 1913 value.

"Borrowing to Pay"

Under the Dawes Plan, which came into effect in 1924, Germany was no longer responsible for paying in foreign currencies. It was the responsibility of the Transfer Committee, composed of foreigners. But there was no difficulty in obtaining these currencies because during the 1924-29 period a great deal of German reconstruction was going on—this the Germans financed by borrowing money abroad, particularly in the United States, and these borrowers of foreign currencies were glad to exchange them with the Transfer Committee for marks which could be used in Germany. This is the meaning of that often-quoted but misleading phrase "Germany borrowed in order to pay reparations." Individuals, corporations and governments borrowed for their private needs: and incidentally this resulted in Germany being able to pay reparations without developing an export surplus in order to acquire the supplies of foreign currencies.

It was just at the time of the Young Plan, which put all responsibility for transfer upon Germany, that the supply of foreign loans fell off, owing to the New York boom and the following slump. During 1930 Germany developed an export surplus; and this combined with some new borrowing was enough to pay reparations and service upon past borrowings.

The situation was made critical in 1931 by the demands of

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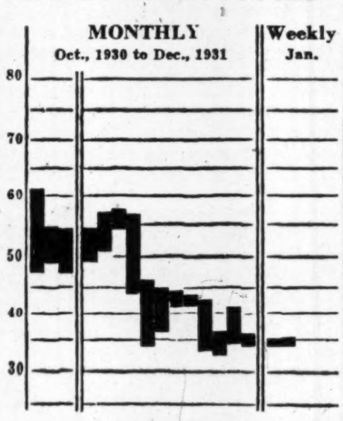
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Jan. 12	35.1	33.2
Week of Jan. 5	34.8	33.6
Month of Jan., 1931	54.4	48.8
8 Bank Stocks		
Week of Jan. 12	211	211
Week of Jan. 5	216	215
Month of Jan., 1931	247	239
10 Public Utilities		
Week of Jan. 12	57	55
Week of Jan. 5	56	55
Month of Jan., 1931	83	77

GYPSUM HOLDS LIQUID STATUS OF FINANCES

Covered Prior Charges in 1931—Small Balance for Common

SALES DOWN 30%

Company Now Better Able to Take Advantage of Upturn in Trade

From Our Own Correspondent

MONTREAL.—Gypsum, Lime & Alabastine, Canada, Ltd. experienced a decline of around 30 per cent in sales volume during the past year. Reports are still to be received from export agencies and it will be two or three weeks yet before the management is in position to determine its profit and loss position on 1931 business.

Preliminary returns, however, indicate that income last year was sufficient to cover bond interest charges, full depreciation and a small balance for the common stock.

Last Quarter Disappointing

It is stated that operating results would have been measurably better if trade had not shown a sharp falling off in the last quarter of the year. Prior to that time business had been conducted on a fairly satisfactory scale and profits were showing up favorably in comparison with the corresponding period of 1930.

For the year ended December 31, 1930, Gypsum reported net earnings of $798,382. After taking care of interest and other prior charges, including around $250,000 for depreciation and depletion, there remained a balance available for the common stock of $308,364. This was equivalent to 68 cents a share on 450,876 shares of no par value common stock.

Expect Strong Statement

The balance sheet, covering the financial position at the end of 1931, is expected to show a sound position. The liquid position will show up better. At the end of 1930 the excess of current assets over current liabilities was $1,614,303, or about $160,000 better than at the close of 1929.

There also is expected to be a cutting down in the current liabilities of the company; the 1930 statement showed a bank loan of $35,000 incurred by the Crystalite Co.

Weld Units Together

Progress was made by the management during the past year in welding together the different operating units of the company. Economies were effected throughout the organization, placing costs on a lower basis. Products were improved and a number of new lines added.

Add New Products

During May the company entered into an important contract with Donnacona Paper Co., under which Gypsum markets a Donnacona insulating wallboard under its own trade name. A new panelling was also put on the market. Toward the end of the year arrangements were made for the production of cellular building material. This latter development follows many tests and special Canadian machinery is to be used for the process of mixing in the heavy foaming compound which gives the cellular structure to the materials.

Plans of Gypsum, Lime in Vancouver, Calgary, Winnipeg, Caledonia, Toronto, Montreal and the Maritime Provinces are to be effected by this new product. For cell gypsum and cell lime, the company will use products of its own deposits and arrangements have been made with Canada Cement for the cement required for cell purposes.

Little data is available at the moment on export business. This end of the trade has received considerable attention from the management and sales offices have been established in England. Sales have been made in other foreign markets and the volume of business so received is said to have been fairly substantial.

Omit Common Dividend

Due to the drop in revenue the dividend on the common stock of Gypsum was reduced from $1.50 to 80 cents a share at the beginning of 1931. In September the directors decided upon a further reduction and the stock was placed on a 10 cents quarterly dividend basis. With no improvement in business in the last quarter of the year, the directors decided to conserve cash resources and to that end omitted the dividend ordinarily payable on January 2, 1932.

The present condition of the company is stated to be satisfactory from the financial point of view, with current liabilities well in hand and working capital sufficient for ordinary purposes. The only charges which the company has to meet are interest on $4,469,828 of bonds and allowances for depreciation and depletion.

Operations have been centred in the larger and more economical plants and the company is said to be in position to take advantage of any upturn in demand for its products from the building trades or from export markets.

Industrial Production in B. C.

British Columbia produced an estimated $149,025,054 in the four primary industries, according to provincial figures. Lumber production, including pulp and paper, accounted for $51,500,000 of the total; minerals were produced to the value of $26,567,300; agricultural products amounted to $55,957,754 and fisheries to $15,000,000.

Confederation Chart In Permanent Form

Many readers have expressed gratification for the long term chart of Canadian business from Confederation to the present day that appeared in The Financial Post last week.

This chart is available in large size, printed in two colors and suitable either for framing or for putting under a glass topped desk. It can be obtained in two different ways. It will be found as a folder in The Financial Post Business Year Book, 1932, now available at $2 a copy or a separate reprint on heavy paper can be had, rolled in a mailing tube and with an explanatory note on a separate sheet, at $1 postpaid.

Ocean Shipping Costs Canada $100,000,000

Fifth Article in Series Outlining Some of the New Ways Governments Have Found to Spend Money

ITEM FIVE: GOVERNMENT SHIPPING

FOLLOWING the war Canada, through its national government, went into the ocean shipping business. It is still there.

The country owns the Canadian Government Merchant Marine. In 1930, 30 boats made 56 voyages, took in $58,165,000 gross revenue, cost the taxpayers in deficits $5,845,000. At December 31, 1930, the total accrued deficit as shown by the balance sheet stood at $57,640,000. Actually the country has lost much more than this in the C. G. M. M.

The country owns also Canadian National (West Indies) Steamships. In 1930 12 vessels made 129 voyages, took in $3,793,000 gross revenue, cost the taxpayers $1,363,000. At December 31, 1931, the total deficits stood at $2,480,000.

In this series of articles we are endeavoring to study, dispassionately, some of the reasons why Canadian taxation has risen so rapidly in the post-war years. In considering Dominion taxes we must not overlook our costly venture into ocean shipping.

How Canada Got Into Shipping Trade

Various governments of the world found themselves in the ocean shipping business following the Great War—notably Australia, United States and Canada. The first two countries have liquidated their ventures and cut the annual losses short; Canada has carried on. The losses for 1931 will probably establish a new high record.

How did Canada get into this expensive venture? The German U-boats started it. They sank so many allied vessels that practically every allied nation set out to build ships. Parliament authorized the Canadian government to build ships with public funds. Contracts were placed right and left. It must be emphasized that the sponsors of government shipping saw more to the work than the provision of boats needed to win the war. The responsible minister made many public speeches in which he visualized a huge ship-building industry for Canada after war. He encouraged construction of shipyards on every large water in Canada; he subsidized a $4,000,000 ship plate plant in Sydney. He also visualized Canada as one of the greatest exporting and shipping nations of the world when the war was over. It was, therefore, a matter of small importance to those who wanted the Canadian government to go into the ocean shipping business that the war was over three weeks before the first of the government fleet was launched. The two score vessels then under contract were merely speeded up and contracts let for new ones. In all contracts were given for 66 vessels with gross tonnage of 380,000. About $80,000,000 was invested in these boats.

Too Many Boats Built Throughout World

But other countries had similar ambitions to seize the shipping thrones vacated by those whose vessels had been dropped into Davy Jones locker by the remorseless submarines. A world shortage of boats very quickly gave way to a vast and expensive surplus. Boats that had cost Canada an average of $200 a ton were tied up in harbors, useless. The country could have thrown the whole fleet on the auction block, taken a loss of around $30,000,000 and quit. But it continued to operate the vessels.

From year to year various boats have been lost or sold (always at a loss) and the remainder have been kept in service. The record of results has been tragic. Here it is:

	Operating Surplus or Deficit	Loss After Depreciation and Interest to Gov't
1919	$1,056,000 surplus	No interest charged
1920	1,298,525 surplus	No interest charged
1921	2,210,724 deficit	$8,047,635
1922	2,384,189 deficit	9,649,479
1923	1,864,293 deficit	9,368,670
1924	1,440,880 deficit	8,836,609
1925	948,053 deficit	7,667,513
1926	90,159 deficit	6,687,221
1927	720,735 deficit	7,086,940
1928	1,209,083 deficit	7,545,525
1929	878,907 deficit	5,928,758
1930	834,211 deficit	5,844,757
1931	No report published yet.	

Cost to Date Over $100,000,000

It will be seen that if allowance is made for depreciation and interest to the government for the first two years that the government merchant marine has already cost the country more than $80,000,000. In addition there is a potential loss of a very large sum on the boats still in service. There are 30 of these boats carried at $45,500,000 less depreciation of $17,700,000 or roughly $28,000,000 which is at the rate of about $115 a ton for the boats owned. What the boats are really worth is hard to say but it is doubtful if they could be sold at more than $20 a ton deadweight (the U. S. Shipping Board sold some boats at $5 a ton and averaged less than $20 a ton). Thus there is a further potential loss on the ultimate sale of the vessels that would bring our total losses on the government merchant marine to more than $100,000,000 between December 4, 1918, when the first vessel was launched and December 31, 1930, the date covered by the latest available statement.

Advantages Claimed for Ships' Operations

Against these losses some compensating advantages are often set down. It is argued that the existence of the C. G. M. M. has helped to build Canada's export trade. This statement must be based, however, on the assumption that if the C. G. M. M. had not established certain routes that private shipping lines and tramp steamers would not have been available to give the service. This assumption hardly holds water; it would be more correct to say that but for the unfair competition provided by the deficit-producing government boats, Canada would have had many more organized routes in operation by various private companies. There has been no lack of vessels offering service since the war. The reason more have not come to Canadian ports is that the C. G. M. M. competition has kept them out. Another point often argued in favor of the C. G. M. M. is that it has made the payment of government subsidies unnecessary on routes it was thought desirable to develop. A friendly writer in 1928 declared: "In this way $140,000 is saved each year on the New Zealand and Australian and the Newfoundland services." $140,000 saved!! But the deficit that year was $7,500,000.

It is hard on any business basis to find justification either for the inauguration of the C. G. M. M. or its further continuance.

West Indies Boat in Different Class

Canada is in the ocean shipping business with another fleet of steamers, the Canadian National (West Indies) Steamships. These boats run between Canada's eastern ports and the British West Indies. The service was established as part of Canada's contribution under the Canada-West Indies Trade Agreement of 1926. The publicly-owned company formed to operate the vessels took over seven vessels from the C. G. M. M. and built five new and modern vessels especially for the service. Investment in vessels at December 30, 1930, stood at $9,804,715. In the first year of operation to December 31, 1929, the operating deficit was $447,841, to which must be added interest to the government and depreciation making a total deficit of $1,117,896. In the second year the operating deficit was $523,137 and the total deficit was $1,362,656, or more than $10,000 a voyage. Thus the first two years of operation cost the country $2,480,552.

Canada has gained certain advantages from the trade treaty. Whether they are worth what the treaty costs Canada by way of reduced customs revenue and operating deficits on these boats is difficult to say. For example, it is charged by more than one authority that Canada loses $5,000,000 a year in sugar duties without any decrease in the cost of sugar to the Canadian consumer. Canada imported over 500,000,000 pounds of B. W. I. sugar in the year to March 31, 1931, gave a preference of about one cent a pound on this. Total cost of this one preference alone plus the boats is therefore over $6,000,000 annually. Our exports to the British West Indies totalled about $12,500,000 in the twelve months to March 31, 1931.

ABITIBI POWER STARTS PLANT FORT WILLIAM

Closing Pine Falls Mill in April When Wood Supply Used

WOOD INTO CASH

Company's Liquid Position is Being Improved By Continuous Inventory Liquidation

Abitibi Power & Paper Co., in pursuance of its policy to turn its huge inventories of wood at various mills throughout Canada into cash and to conduct no woods operations until business revives or additional wood is needed to fill contracts, has decided to close down the plant of Manitoba Paper Co. at Pine Falls, Man., in April or May when the present wood supply there is used up. On January 11 the company opened operations at its Fort William mill and this operation will probably be continued after the Manitoba Paper Co. plant is closed down.

The company has plenty of wood to carry it well into next season at its various plants. At the end of 1930 its inventories were shown in the current assets at more than $15,000,000, and on the other side of the balance sheet its chief current liability was bank loans of $4,500,000. These bank loans have been reduced considerably as a result of following the present policy. The huge inventories were piled up when sales of newsprint were being made in much larger volume than today, and the president, Alexander Smith, stated at the annual meeting on April 7, 1931 that inventories were higher as a result of the business depression and that "their liquidation is receiving the continuous attention of your management."

The company has its higher cost mills closed down but it is understood that there is a considerable wood supply at these and that this is a resource available for the company if a sudden stiffening of demand later in 1932 should make woods operations advisable at the eariest possible moment. When that times comes, it is believed that as a result of its present policy the company is likely to be in good liquid shape to finance such woods operations as are necessary.

Considerable disappointment is expressed at Winnipeg where it is stated that the city, the provincial Government and the Winnipeg board of trade plan a protest against the closing down of the Pine Falls mill. It is stated that there are 900 people at Pine Falls directly dependent on the operations of the mill.

Company executives, however, do not see how the mill can be kept running under the present policy as soon as existing stocks of wood are used up. So long as the demand for paper can be supplied by existing stocks at other mills they state that it would be uneconomic to cut standing timber at one mill to make pulpwood when other mills would have to be closed with their wood supply left to rot.

Loblaw Sales, Profits, Higher in Last Period

Loblaw Groceterias Co. sales for the first 28 weeks of the fiscal year, June 1 to December 12, amounted to $8,059,534 as compared with $9,143,513 for the same period in the previous year. Declining price levels accounted for this drop in part and the company has been able to show net profits for the period of $511,395 as compared with $543,775 in 1930. Drop in sales amounts to 11.86 per cent and drop in net profit to but 5.96 per cent.

Sales in the four weeks ended December 12 were $1,252,215, higher than any previous period in the present fiscal year, and profit at $97,359 was also materially higher. Opening of several new stores in recent months and sale of wrapped meats in the new stores increased the number of outlets. Compared with the corresponding four-weeks period of the previous year sales were down 10 per cent and profit was down 6.56 per cent.

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MONTREAL STOCK EXCHANGE LIFTS MORE MINIMUMS

Special Committee Making Progress in Removing Restrictions

MAJORITY ARE FREE

Minimum Prices Remain on 81 Issues—19 Prices Have Been Revised to Date

From Our Own Correspondent

MONTREAL.—Special committee of the Montreal Stock Exchange has issued its third report which places 9 stocks on the free list and revises the prices downward on 7 other stocks.

Since the present committee was established shortly before the close of the past year, it has dealt with the majority of stocks listed on the Exchange.

Out of total listings of 212 stocks on the Exchange, all but 81 have been placed on the free list. When minimum prices were first established 14 of the local listed stocks were inter-listed with other exchanges and did not have a minimum price placed on them. This left 198 on which the Exchange committee placed an arbitrary price.

Free Many Stocks

Sometime ago it will be recalled that the minimum prices on stocks selling at $5 or under was lifted. Since the present committee came into being it has issued three revisions. Following are the stocks which have been placed on the free list (does not include the $5 or under issues).

Minimum Prices Removed
(December 23)

Abitibi Paper—7 per cent preferred.
Agnew Surpass Shoe.
Agnew Surpass Shoe preferred.
Alberta Pacific Grain preferred.
Amalgamated Electric preferred.
Amalgamated Electric common.
Bathurst Power & Paper preferred.
Bawlf Grain preferred.
British Empire Steel 1st preferred.
Canada Foundries & Forgings B.
Canada Iron Foundries.
Canada Iron Foundries preferred.
Canadian Fairbanks preferred.
Canadian General Electric preferred.
Canadian Locomotive preferred.
Carriage Factories preferred.
Dom. Iron and Steel preferred.
Dominion Steel preferred.
East Kootenay Power.
Famous Players.
Famous Players voting trust cert.
Western Grocers.
Western Grocers preferred.

(January 4)

Associated Tel. & Tel. A.
Associated Tel. & Tel. preferred.
Belgo-Canadian Paper preferred.
Dominion Glass preferred.
Dominion Park.
Dominion Rubber preferred.
Dominion Textile preferred.
Holt Renfrew.
Holt Renfrew preferred.
Hillcrest Collieries.
Howard Smith preferred.
C. W. Lindsay.
C. W. Lindsay preferred.
Montreal Tramways.
Ogilvie Flour Mills preferred.
Ottawa L. H. & P. preferred.
Penmans preferred.
St. Lawrence Corp. A.
St. Lawrence Paper mills preferred.
Sherwin-Williams preferred.
Steel of Canada preferred.
Tuckets Tobacco preferred.

(January 12)

Atlantic Sugar preferred.
B. C. Power B.
Cockshutt Plow.
Lake of the Woods.
MacKinnon Steel Corp.
MacKinnon Steel preferred.
Sherwin-Williams.
Viau Biscuit.
Winnipeg Electric.

Revise 19 Prices

Revision of prices by the special committee has taken place on 19 stocks, a list of which follows:

Minimum Prices Revised

	Old	New
Bell Telephone	121	119
Can. Cement preferred	66	60
Consold. Smelters	65	60
Gypsum, Lime	5½	5
Mont. Cottons preferred	100	95
National Steel Car	12½	10
Ont. Steel Products	13	10
Ont. Steel Products Pfd.	105	90
Southern Canada Power	29	25
Steel of Canada	22	20
Windsor Hotel	12	10
(Bank Stocks)		
Canadienne	164¾	159¾
Commerce	196	191
Dominion	204	194
Imperial	203	193
Montreal	235	225
Nova Scotia	284	274
Royal	231	221
Toronto	213	203

At the present time the Montreal Stock Exchange has in force minimum prices on 81 securities. Of this number the price has been revised on 19, so that 62 stocks have been untouched by the committee.

Important Ones Untouched

In this latter category are included the principal trading issues of pre-minimum days, such as Montreal Power, Shawinigan, National Breweries, Dominion Bridge, Quebec Power, etc., etc.

Opposition to the maintenance of minimum prices continues from within and without the exchange. The opposition are not satisfied with the progress shown by the special committee in placing stocks on the free list or revising prices. It is claimed that an active market can only be made by placing all stocks on the free list. Though this might entail a dislocation of prices on certain securities, it is said that the floating supply can be cleaned-up and a steady and active market soon re-established.

Those favoring the minimum prices favor them only as a temporary expedient. The minimums will be kept on only as long as conditions warrant their retention. The special committee of the Exchange has made progress in its three or four weeks of existence and the opinion in well-informed quarters is that before very long the minimums will be removed or reduced on all the stocks.

Canadian Banks Attract American Border Funds

From Our Own Correspondent

MONTREAL.—Banking failures in the New England states have not been without benefit to Canadian chartered banks. Uncertainty over the stability of their own banking institutions has caused many New Englanders to transfer their money to Canadian banks in Nova Scotia and New Brunswick.

More than $100,000 has been transferred to branches of the Royal Bank of Canada at Meteghan and Church Point within the last fortnight. C. E. MacKenzie, supervisor of the Royal Bank of Halifax, is authority for the statement that large sums of money have been deposited with the bank's branches throughout Nova Scotia, but more noticeably along the Digby and Yarmouth county shores.

It is stated that much of the money is being deposited by former Canadians who went to the United States to live. The transfer of funds has been due not only to uncertainty over the New England banking outlook, but also because many of these former Canadians are sending their money home with the possibility of following should conditions not improve in the United States.

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GAIN IN ASSETS SHOWN IN REPORT CAN. PERMANENT

Savings Deposits Also Higher—Profits Off 6 Per Cent

Net profits of $13.06 per share as compared with $14.14 in 1930, and an increase of 6 per cent in total assets are features of the 1931 annual report of Canada Permanent Mortgage Corp. issued this week. Canada Permanent is the largest of Canadian loan and mortgage companies in point of assets. Its annual meeting will be held Jan. 29.

Total net profits reported by the company are $913,928, a decline of 8 per cent from 1930, and are ample to pay a 12 per cent dividend of $840,000 on the 70,000 shares of stock outstanding. After making this distribution the company brought forward $73,928 to surplus which now stands at $540,636 the highest figure in many years. Details of income and surplus in 1931 and 1930 are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1931	1930
	$	$
Net profits†	913,928	989,516
Less: Dividends	840,000	840,000
Surplus for year	73,928	149,516
Add: Prev. surp.	466,708	317,192
Bal. car. forward	540,636	466,708

† After deducting interest on borrowed capital, expenses of management and all charges and losses, after paying all taxes due and providing for all accrued taxes, and after making provision for possible losses and contingencies.

Earnings per Share and Div. Record:

	1931	1930
Earned	$13.06	$14.14
Paid	12.00	12.00

Increases Shown

Important changes in the company's balance sheet have taken place during the year in that the company shows increases in savings deposits, and currency debentures on the liability side, and in its holdings of mortgages and dominion, provincial and municipal government bonds on the asset column. Savings deposits are higher by $656,000 reaching a new high total of $15,406,462 while currency debentures issued in Canada show the most important gain, now standing at $29,383,594 as against $26,263,911 a year ago. Seven years ago this item was just over $8,000,000. Debentures issued in Great Britain are $11,830,269.

Among assets, Dominion and provincial bonds, at $2,720,545, are up $1,000,000, while bonds guaranteed by the Dominion or provincial governments are up from $632,496 to $997,551. Municipal bonds show a big jump from $694,512 to $1,218,036, while other bonds and debentures are carried at $1,155,332 as against $1,000,131 in 1930. Cash is lower at $1,857,916 compared with $2,276,983 a year ago.

Investments in stocks now total $1,974,179, compared with $1,641,437 at the end of the previous year. Included in this item is $980,000 of the stock of the Canada Permanent Trust Co. at par.

Mortgages Higher

Mortgages on real estate are still the principal assets of the corporation and some growth in this item is noted, the total now standing at $57,908,327 compared with $56,285,692. Real estate held for sale is substantially higher at $633,347 compared with $339,097. Office premises are carried at the former figure of $4,492,247.

No details of the annual report of the Canada Permanent Trust Co., subsidiary of Canada Permanent Mortgage are available but gross assets of this company have been increased by about $4,500,000 and now stand at $30,000,000. Estates, trusts and agency account is up from $22,900,000 to over $27,200,000.

MONT. TELEGRAPH PAYMENTS LOWER TO SHAREHOLDERS

Higher Income Tax Finds Reflection in 1931 Report

From Our Own Correspondent

MONTREAL.—The annual report of Montreal Telegraph Co. for 1931 is noteworthy in that the company has published an income account for the first time in many years. The company's revenue is derived from an annual rental fee of $165,000 paid by the Great North Western Telegraph Co. from which dividends at the rate of 8 per cent less tax are paid on the Montreal Telegraph capital stock of $2,000,000.

The current statement shows the usual rental from the Great North Western Telegraph while revenue from investments was $3,708. The increase of 2 per cent in the corporation income tax to 10 per cent, however, finds reflection in dividend disbursements. Dividends are paid to shareholders at the rate of 8 per cent but deduction for income tax is made before distribution. Accordingly disbursements in 1931 were $145,600 in dividends against $147,200 in 1930 while $14,400 was set aside as income tax reserve, making $160,000 or 8 per cent on the capital stock.

Changed July Dividend

Though the change in income tax was retroactive to January 1, 1931, Montreal Telegraph did not lower its distribution to shareholders until July 15; the increased tax for that period was absorbed by the sum of $3,181, which was transferred to dividend account from surplus.

Following is the income statement for 1931; comparisons are not available:

	1931
G. N. W. Telegraph	$165,000
Rev. from invest.	3,708
	168,708
Less:	
Dividends	145,600
Inc. tax reserve	14,400
Admin. expenses	5,863
Surplus for year	2,845
Add: Previous surplus	50,036
Unclaimed divds.	79
Less: Trans: to divid. a/c	3,181
Balance forward	49,779

REGENT KNIT
OUTER and Sports Wear

FINANCE CORP. NOT TO ACCEPT CANADIAN BONDS

Will Make Loans Only on United States Securities

Canadian Securities will receive no preference over foreign securities as collateral for loans to be made by the proposed Reconstruction Finance Corp. in the United States. The amendment to the bill that provided Canadian securities could be accepted as collateral for loans, has been dropped in order that no discrimination could be charged but the proposal is regarded as being a favorable indication of the high regard in which high-grade Canadian securities are held in the United States.

Pressure is being brought to bear in Washington by all classes of business for an early passing of the bill which will provide $2,000,000,000 of credit to aid banks, insurance companies, and other types of financial institutions. Only high-grade domestic securities will be accepted as collateral, foreign issues, including Canadian, being excluded. Loans to be made by the Reconstruction Finance Corp. are expected to save a number of banks which have frozen assets and lack liquidity but which are otherwise sound financially.

In recent months many banks and institutions carrying investments in United States, Canadian and foreign government bonds have had no other alternative than to sell Canadian holdings in order to secure cash and maintain their liquid position. This has been due to the extremely low prices at which foreign bonds have been selling and at which prices the banks would have had to take material losses. Canadian bonds have held up extremely well in comparison to foreign bonds.

NATION'S BUSINESS

(Continued from page 1)

to sell when he is given full advantage of the play of market forces.

* * *

Some Governments Out to Cut Costs

MAYOR WILLIAM STEWART, of Toronto, in his inaugural address to the city council this week, went further in definitely delimiting the city's spending programme for the coming year than any previous mayor in present times. He did not go as far as good business would have dictated; for instance he promised the cessation of all capital expenditures "except those necessary to provide employment," which might mean all or none, according to the interpretation. But Toronto civic rulers who have been on a spending spree ever since the war, have been sharply aroused by the large expense the city is meeting in New York premium on principal and interest payments and curtailment may reasonably be expected. In Windsor, Ont., in the heart of the municipal distress belt of Ontario, the mayor has pledged himself to put the city's financial affairs in order before the end of 1932. Ontario government recently promised a five million cut in expenditures. In other provinces there are also outcroppings of greater administrative efficiency and cost cutting than have been since the war. The movement for economy in public affairs is gaining momentum; it is far from any reasonable objective that might be set. Not even all of the governments that have been brought to the sharp edge of a crisis realize their responsibilities. But with continued public discussion of the necessities of the situation the movement will gather force.

* * *

THE Ottawa Citizen makes an obvious reference to The Financial Post when it says that "one Toronto journal of some influence is urging economy in expenditures without specifying what particularly should be lopped off." This is hardly fair. The Post has been at great pains to point to many unessential encrustations upon the governmental programmes of the Dominion, the provinces and the municipalities in order that the obvious ways to lop millions from public expenditures in Canada could be made clear to any intelligent reader. The Post will continue, during coming weeks, to analyze expenditures of all classes of government in Canada and from time to time to point to services that could either be reduced or eliminated entirely. We discuss one this week; our foolish merchant marine fiasco which no government since 1918 has had the courage to end. What makes it difficult for many writers and commentators to visualize a huge cut in public expenses is their attitude of assuming that all present services are sacrosanct and must be maintained. The Financial Post repeats what it said months ago and what it has said frequently since, that a mere process of trimming ten or fifteen per cent all around from presently controllable expenditures will not bring the cost of government in Canada down to what it should be. Something much more drastic and far seeing is needed; the elimination of every governmental service or function that is not strictly necessary and obviously the job of government. Bureaucracy must hand back to the people the responsibilities the people ought to assume themselves.

SERVICE LOAN CASH DWINDLES AS OTTAWA FINANCES PROVINCES

(Continued from page 1)

pression on the cabinet. It is felt that if business would prefer a steeper income tax and a six per cent sales tax, the government should be content to let it go at that. The achievements in the way of economy, so far, are negligible. The Treasury Board, a committee of the cabinet that supervises expenditures, has issued several orders, aimed to stop the never-ending increase in the ranks of the civil service. But major economies so far have not been attempted. The next three weeks are of vital importance in this respect. The estimates for the new year are now in preparation and if cuts are to be made, now is the time when the decisions will be taken. The fact that, so far, nothing has been done does not mean that nothing will be done, but it does indicate that the ministry is not eager to grapple with the business of economy.

But apart altogether from matters of federal finance, the whole terrain of federal and provincial financing is in danger of becoming hopelessly confused.

Problems of Provinces

Most of the provinces are unable to finance their capital expenditures, and their expenditures on direct relief and unemployment relief works. They have been bringing their problems to Ottawa in recent weeks, and have got some assistance. Just how much assistance, and the exact amount of assistance given to each province cannot be ascertained. It seems doubtful if any definite policy has been pursued, and there is prospect of political controversy to come.

In regard to unemployment relief works, the federal government pays 25 per cent of the cost of all ordinary works, and 50 per cent of the cost of the Trans-Canada Highway. Federal expenditures have been placed by Hon. Gideon Robertson at about $30,000,000. This would mean, ordinarily, a total expenditure of approximately $100,000,000, including the share of the provinces and municipalities. But neither the municipalities or the provinces have been able to finance their share, so the federal government appears to have shouldered the complete burden of relief works so far as most of the provinces are concerned. In doing this, the Dominion has taken provincial 5¼ per cent bonds in payment of provincial and municipal contributions, and the provinces have taken municipal bonds in settlement of the municipal shares.

Service Loan Proceeds Go

The result of this policy has been to load the federal treasury with provincial bonds, to dissipate rapidly the proceeds of the National Service Loan. But on top of this unexpected drain on federal resources, the provinces are now coming to Ottawa for similar treatment on direct relief. Here, again, the federal share is but 25 per cent. The provinces, in more than one case, are threatening that unless the federal government puts up all the money, direct relief will be stopped.

Again, no definite policy is discernible. It is fairly clear that some of the far western provinces have been assisted in direct relief. The easterly provinces have heard of this, although no official announcement has ever been made, and there are cries of discrimination and threats of political vengeance.

The available figures give an inkling of the extent to which the federal government has been pushed outside its own sphere and into the sphere of the provinces. Federal relief expenditures have been placed at about $30,000,000. Yet the total for the whole country, which should be about $100,000,000, is only around $60,000,000. Unquestionably the Dominion has shouldered provincial burdens.

Aid to Meet Maturities

More, several of the provinces have come to Ottawa seeking cash assistance to meet debt maturities. Some of them have got it, other have not. For example it is fairly clear that Manitoba is getting help from Ottawa to meet the $2,000,000 bond issue maturing at New York on January 15. Certainly Saskatchewan has been helped, and probably British Columbia.

The whole field of government finances seems to be becoming entangled. The traditional policy of treating all provinces alike, or keeping out of provincial fields has been temporarily abandoned.

At the moment it is learned that the government is determined to recover its independence, and recent calls for assistance have been turned down. Whether the Dominion will be able to make this policy stick is doubtful, but the impending provincial domestic bond issues are a sign that Ottawa's resistance is stiffening.

There is no evidence that either Ontario or Quebec have come to Ottawa for succor, but the demands of the western provinces have been persistent. It is probably true that Mr. Bennett has had more worry in recent months with these provinces than with the railways.

Job-Making a Mistake

The upshot of this confusion is that a good deal of the National Service Loan will go to the provinces and the municipalities. The result of this, in turn, will be a pressing need for more money and a further loan.

The unemployed relief programme is now commonly considered at Ottawa to have been a mistake. It has prolonged the era of governmental extravagance, enabled one government to play off another. Politics have not been absent from inter-governmental relations. While scores of millions were being spent, the provinces, particularly the western provinces, have not been forced to economize, to bring their expenditures within their revenues.

WAR DEBTS REPUDIATION MAY FOLLOW LAUSANNE

(Continued from page 1)

those creditors, who had lent in Germany on short-term agreements, for full repayment. French, British and United States were the chief holders of these short-term loans some of which were ordinary credit risks but a large part of which were directly or indirectly guaranteed by the German government. The gold reserve of the Reichsbank rapidly dwindled. The Hoover moratorium of June, 1931, was hoped to check the withdrawals; but it failed, and Germany's short-term creditors had to agree to leaving their money in Germany under the Standstill Agreement as the only alternative to German bankruptcy.

In November, 1931, Germany formally declared that she would be unable to continue the payment of reparations when the Hoover moratorium expired, and requested that an expert committee of investigation be set up, as provided for under the circumstances in the Young Plan. This advisory committee reported on December 24. The situation it revealed was roughly as follows:

In 1931, there was an export surplus of some three billion marks. It was unlikely for several reasons that this level would be maintained into 1932. Nevertheless, against this were the following claims: Interest and amortization on past borrowings, 1.5 billions per annum; reparations, if payments were resumed, of about 1.8 billions per annum; and the remaining short-term debt, almost immediately repayable, 11 billions. The facts were plain. The question was: What should be postponed or subtracted from 1.5 plus 1.8 plus 11 to leave less than 3?

Now Diplomatic Question

To this the committee of experts could give no answer: it was a matter for plenipotentiaries of the various powers concerned to discuss. Such a meeting is to take place in Lausanne on January 18. Since the experts' committee was convened, however, two announcements of major importance have been made, one in the United States, the other in Germany. In the first place the United States Congress, while ratifying (better late than never) the Hoover Moratorium, passed a resolution that no further assistance, either by way of reductions or postponements, should be tendered to the debtor nations. Of course the United States is not concerned directly in German reparations but there is an obvious, intimate relationship between the receipts of allied nations from Germany and their debt payments to the United States. The action of the United States Congress is not surprising when it is remembered that what the European debtors gain the American taxpayers lose. The extremely difficult state of American federal finances is shown by a deficit of some two billion dollars on the books.

France, the chief intermediate debtor-creditor between United States and Germany, has also asserted that she will not consent to a reduction of reparations unless there are equal reductions of war debts due to the United States. Nor can any alleviation from reparations, divorced from war debts, be expected from England the other chief intermediate power, whose finances have already suffered under the strains of the summer of 1931. It was with the tide of events flowing against her, and the probability that, at Lausanne, impossible demands would be made of her that Germany announced on January 9 she would pay no more reparations.

Those Private Debts

In the meanwhile, the problem of the short-term debts, immobilized for another six weeks only under the Standstill Agreement, has not yet been solved by the bankers' meeting in Berlin. But it is in all their interests to effect a solution. It should be pointed out that the banks are satisfied with their security. The problem of the short-term debts is not one of ability to pay but of ability to transfer funds.

The non-reparations debt of Germany, more than half of which is held in the United States, according to the Wiggin-Lavon estimates last summer, is made up of an infinite number of transactions between individuals, corporations, and various types of govenments, in Germany and in the rest of the world. It would be extraordinarily difficult if not impossible for the German government to enforce an arbitrary reduction in the service of these loans. And, as British newspapers have been pointing out, it would be a direct intervention on the part of governments into the sanctity of existing contracts, upon which our whole capitalistic system is built up. Obviously private creditors feel that reparations should not be permitted to use up all the available foreign exchange and thus make payment on account of private debts impossible.

France Opposes Cancellation

In spite of these arguments the French claim priority for reparation payments. In point of time they came first, they are the subject of an international agreement, and after all the private lenders knew all about reparations when they made their loans. France's chief claim at the moment is that the present depression is merely temporary. Thus, while she might be willing to make temporary readjustments, if possible under the legal mechanism of the Young Plan (but only under the Young Plan), she, the chief creditor, is most averse to cancellation or reduction of the total amount due.

What, then, is likely to become of the Lausanne conference? In the first place, it seems most unlikely that, even if Bruening himself would go back on his statement, public opinion in Germany would allow him to do so. The reaction against the economic burden and the moral odium of reparations is undoubtedly very strong.

Will the chief creditors take any steps to coerce payments? Great Britain, in practical certainty, will not; even if France invokes her aid. She would not assist France in the 1923 Ruhr occupation, the object of which was to extort reparations. She is unlikely to change her opinion now, when the heat of war has had another nine years in which to die.

Will France take military action by herself, or with Belgium? This is not entirely impossible, and there have been a lot of militaristic utterances in the French press during the last couple of months. However, Laval has been reported as saying that France would not take such action if Germany repudiated; and the opposition with which they would meet in Germany would undoubtedly be more organized and less tolerant than the "passive resistance" of 1923, (a sort of general strike in the occupied area).

The forms of coercion which France is more likely to use are political and financial. Since the war she has worked hard to isolate Germany by gaining financial control, and through that political influence, in the ring of countries surrounding Germany on the east and southeast. Germany carries on a good deal of trade with these countries: and the French might be able to embarrass Germany's commerce in these sections as well as to the west, with herself and Belgium. In addition, there are substantial outstanding loans, made to the Reichsbank to assist during the exchange rate difficulties last summer, which fall due soon and which Germany cannot immediately repay without drastically reducing her gold holdings. There seems little likelihood, however, that such a reduction would result in another inflation as some newspaper correspondents have been gloomily predicting. Thus France, in her partial control over these loans, does not "control the future of German currency." It may be indeed that France will face realities and attempt no coercion; that her threats of action are intended more for the United States Congress than for German ears.

Who Will Hold Baby?

That raises the question of who will make the ultimate sacrifice.

It does not look as if the foreign powers concerned were going to be able to extort reparations. Will the European creditors be left "holding the baby" or will they pass it on to the United States? Press comment in England upon the unwillingness of the United States Congress to make any further debt concessions suggests that England is not so far from voluntary repudiation as she was in the magnanimous days of the Balfour note. Ever since the Young Plan discussions, France has maintained the existence of an intimate connection between debts and reparations, which has been steadfastly denied by the United States. Repudiation would not only be in line with this doctrine, but also with France's policy regarding war debts in the past; for by her inflation, culminating in 1926, she wrote off four-fifths of the value of her debts at home and abroad.

The problem about repudiation is, What nation would care to take the lead? Many financial leaders in the United States would welcome cancellation but considering the viewpoint of Congress, they feel that first action must come from European debtors. France stands to lose from the cancellation of reparations without a writing-down of her debt. So does Britain. The solution of the whole problem may be found in war debts repudiation first by France then by Britain which would open the way for cancellation or writing down of both reparations and war debts. This may follow Lausanne.

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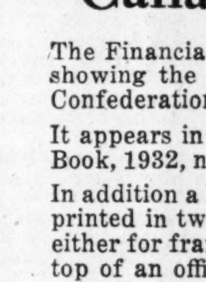

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MASSEY-HARRIS CUTS ITS COAT TO SUIT CLOTH

Making Large Write-off on Inventory—Sales Strike Low Point

Massey-Harris Co. completed its fiscal year on November 30, 1931, one of the most adverse periods in the history for the farm implement industry generally, but a year in which Massey-Harris was able to cut down costs to a remarkable degree and to prevent the piling up of new liabilities. Plant and personnel are now being used with the idea of getting the most effective work at the least possible cost. Large scale writing down of inventories will be necessary in all probability because of decline in general price level.

The recent moving of part of the production of Bain Wagon Works of Woodstock to the plants at Brantford coincided with a speeding up in Brantford and led to gossip in that city that the company intends to make an entire reorganization of plant, closing down a number of outside plants and concentrating in a few centres. The story even included the large plant at Toronto which it was thought might be abandoned in favor of a site at Weston. The Financial Post is authoritatively informed, however, that no large-scale change in plant location is intended at the present time, and that it has not been discussed. The changes are purely conversational changes, one official stated.

Large Real Estate Asset

The story that Massey-Harris Co. would like to dispose of its Toronto plant is one that has been recurring at intervals through the last 20 years. It owns a very extensive property on King Street West in a locality which is potentially quite valuable but which because of high assessment and taxation as compared with a smaller place imposes on a large company which needs extended acreage a heavy burden. This is one asset generally overlooked, however, in consideration of the affairs of the company, and it is evident that when real estate becomes active at some future time the possibility of disposal of this property with advantage to the company should not be overlooked. But until there is a sale in view the company will doubtless find it more economical to use the present plant.

Business Disappears

After two years of depressed prices for all farm products and the third failure of crops in Southern Saskatchewan, farm implement manufacturers in Canada approach 1932 possibilities in a very chastened spirit. With sales in 1931 of tractors at 873, combines at 178 and threshers at 493 for the Prairie Provinces in 1931 the situation must be almost bewildering to manufacturers. In previous years the sales were as follows: tractors 17,143 in 1928, 14,557 in 1929 and 9,108 in 1930; combines 3,657 in 1928, 3,295 in 1929 and 1,614 in 1930; and threshers 6,247 in 1928, 2,095 in 1929 and 2,034 in 1930. In fact, this business has for the time being almost entirely disappeared.

The difficulty of making collections on machinery sold in those active years became more apparent in 1931. Many farmers had not the money to keep up payments and a number took advantage of the confused situation and the various debt adjustment acts now in vogue which prevent foreclosing farm mortgages.

Turn to Mixed Farming

Small farmers are turning in increasing numbers to mixed farming and therefore there is hope that the demand for horse-drawn plows, cultivators, harrows, hay pressers, feed grinders, small stationary engines and dairying equipment of all kinds will increase wherever farmers turn toward mixed farming and "subsistence" farming. Power machinery demands are expected to increase in those districts where the land is suited to grain growing only but prices received for grain will govern sales in an important measure. So far the feeling is that the year will be better for farmers on the whole than 1931 because visible world supplies of wheat and other grains are lower and world acreage has been cut. On the other hand, feeding to animals has brought prices of hogs and other food animals tumbling and milk is apparently due for lower prices.

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Designers, Fabricators and Erectors
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Structural Steel Work
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National Steel Car Corporation Limited
Builders of Passenger Cars—Freight Cars—Street Cars—Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts—Steel Pressings—Forgings—Drop Forgings.
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621 St. James Street, MONTREAL, QUE.

Southern Canada Power Bonds Have Good Record

Steady Progress of Company Brings Peak Earnings; Equity Per $1,000 Bond is $3,498; Interest Well Covered

(Sixth of a Series on Canadian Bonds)

The record of Southern Canada Power Co. during the last fiscal year which ended on September 30, 1931, is unusual in that in a year when many companies have had to call on reserves this company has created a new high record in number of customers and despite decrease in kilowatt hour output to 155,015,575 kw.h., from the record of 170,685,947 kw.h. achieved in 1930, the gross and net earnings of the company have been the highest in its history.

Much of the credit for the strong position which is reported at the end of a difficult year is due to policy of the company in assisting in the industrial development of the district which it serves directly and through subsidiaries. This area, known as the Eastern Townships, is located on the south side of the St. Lawrence River, opposite Montreal and, in recent years, has been developing into an industrial area of importance. The company operates throughout this area and serves some 6,000 square miles. Where once the area lost industries and population the situation is now largely changed due to efforts to bring out the many logical advantages it possesses as a centre of industry. Southern Canada Power Co., has aided materially in getting new industries with the result that industrial and domestic consumers have increased.

Has Strong Connections

Southern Canada Power Co. was incorporated in 1913 to acquire assets of four companies and has since acquired some nine other companies and various municipal and privately-owned electric power and distribution systems. Directly, or through subsidiaries, the company supplies electric light and power throughout the Eastern Townships and through its subsidiary, Sherbrooke Railway & Power Co., operates electric railway lines in Sherbrooke and between Sherbrooke and Lennoxville. In all the company controls 20 power sites with a capacity of some 200,000 h.p. and installed capacity of power plants is 60,800 h.p. The company has 463 miles of high tension transmission lines and 578 miles of distribution lines.

The company is affiliated with Power Corp. of Canada which at June 30, 1931, held 121,267 shares of the common stock of which there is now 400,000 shares outstanding. Power Corp. manages the company. Contracts are held with Shawinigan Water & Power Co. by which Shawinigan takes 10,000 h.p. annually until 1949 and reciprocal contracts have also been made with Shawinigan and Montreal Light, Heat & Power Consolidated for the purchase and sale of energy for emergency service.

Growth of the company has been consistent; practically continuous. Since October, 1922, there have been seven offerings of preferred stock on the basis of customer-ownership and the allotment has been more than subscribed. In 1922, 2,358 shares of preferred stock were taken by customers at $90 a share; in October, 1929, 14,052 shares were sold at $106 per share and the latest campaign, conducted in October, 1931, brought about the sale of 5,092 shares at $106 per share. A total of 57,572 shares of preferred stock has been sold through these campaigns and has served to increase customer interest in the company.

The statistics of the company over the past few years are of interest particularly in the way new records have been set in the last two fiscal years. In 1914, the company had but 2,260 customers and electrical output in kilowatt hours is not available. Each year since there has been an increase in number of customers and, with the exception of the last year, an increase in production. In the last five fiscal years ending September 3, the record has been as follows:

	Customers	K.W.H. Output
1927	21,662	123,452,980
1928	23,552	138,160,340
1929	25,543	154,528,950
1930	26,594	170,685,947
1931	27,225	155,015,575

While electrical output was somewhat lower in 1931, earnings were slightly higher. Interest charges amounted to $360,149 as compared with $341,461 in 1930 and reserve for depreciation was increased to $235,510 from $225,770. These increases resulted in a slightly lower ratio of times interest earned but at 3.99 times before depreciation and 3.34 times after depreciation the ratio is comparatively high, even for a high grade public utility bond. It is interesting to note that the annual provision for depreciation has been increased each year and that the reserve set aside in 1931 is practically double that set aside in 1925.

Interest Well Covered

A comparison of gross earnings and net earnings available for interest charges in the past seven years is as follows:

	Gross Earnings $	Net Earnings $	Times Int. Earn. Before Deprec	Times Int. Earn. After Deprec.
1925 ...	1,213,665	713,566	2.65	2.20
1926 ...	1,389,131	913,561	2.74	2.33
1927 ...	1,534,280	991,265	2.77	2.35
1928 ...	1,809,566	1,203,802	3.50	2.97
1929 ...	2,095,912	1,348,549	3.93	3.32
1930 ...	2,257,421	1,408,471	4.12	3.46
1931 ...	2,355,111	1,437,073	3.99	3.34

Dividends have been paid regularly on the preferred stock since 1920 and on the common stock since 1923. Monthly earnings statements are issued by the company which show gross earnings, operating expense and net earnings as compared with the corresponding month of the previous year.

Total assets of the company have increased annually and investment in plant has naturally expanded to take care of consumer demand. Growth in total assets and in capital assets, of plant investment, is shown in the following table which also gives the equity behind each $1,000 of bonds outstanding in each year. It may be noted that the figures given for capital assets are before deduction of depreciation reserve which has grown from $410,000 in 1922 to $1,794,922 in 1931.

Year	Total Assets $	Capital Assets $	Equity per $1,000 Bond $
1917	5,366,628	5,002,063	....
1922	10,619,195	10,307,832	....
1925	15,761,870	15,328,001	2,799
1926	18,446,961	16,983,592	2,673
1927	18,511,088	17,576,080	2,682
1928	22,554,974	18,403,467	3,326
1929	24,084,771	19,541,018	3,348
1930	25,101,327	20,416,779	3,479
1931	25,558,762	20,777,249	3,498

The capitalization of Southern Canada Power Co. consists of $6,000,000 of 5 per cent first mortgage bonds, series A, followed by $6,759,700 of 6 per cent cumulative preferred stock of $100 par value and 400,000 shares of common stock of no par value. In addition to the $6,000,000 of bonds issued and outstanding of an authorized issue of $50,000,000, there are bonds of subsidiary companies outstanding to the amount of $816,234.

The first mortgage bonds of the company were first offered in September, 1925, at 97 and quotations on the Montreal Curb have since held at or above the offering price. Dated October 1, 1925, the bonds are due October 1, 1955, and principal and semi-annual interest is payable in Canadian or United States gold coin or in sterling in London. Another feature of the bonds is that they are issued in denominations of $100, 500 and $1,000, registerable as to principal only or in full. The bonds are redeemable in whole or in part on any interest date, April 1 or October 1, on 60 days' notice at 102½. No retirement has been effected since the bonds were issued but the relatively small funded debt of subsidiaries has been reduced.

The first mortgage bonds of the company are secured by a first mortgage on fixed assets and a floating charge on other assets of the company. The deed of trust securing the issue provides for the setting aside of 15 per cent of the gross revenue each year as a maintenance and sinking fund. Of this amount half may be spent on maintenance and renewals and the other half on permanent additions but any amount not so utilized shall be annually used by the trustee, Montreal Trust Co., for the retirement of bonds.

Has Issued Stock

The unissued balance of $44,000,000 of the authorized issue of $50,000,000 may be issued at the discretion of the directors. Of the unissued bonds, $5,000,000 may be issued for the cost of extensions and additions to the company's property and plant while the balance of $39,000,000 can only be issued against 75 per cent of cost of additions or improvements to property or plant. In all cases, however, net earnings for any 12 consecutive months of the preceding 14 months must be equivalent to 1¾ times interest requirements on bonds issued and to be issued.

Since the first mortgage bonds were issued in 1925, largely to retire bonds outstanding at that time, no further bonds have been issued and the company has done its financing through offerings of preferred and common stock. This has served to increase the equity behind the bonds and add to the security of the issue. The bonds are largely held in strong hands and there is normally no large supply on the market. While the issue is listed on the Montreal Curb Exchange there has not been any large volume of sales this year and on January 2, 1932, nominal quotations ran 90 to 94 which is indicative not so much of the status of the bonds as of current conditions in the Canadian bond market. On a price of 92 the bonds would yield some 5.6 per cent to maturity.

The price range of the bonds on the Montreal Curb in recent years has been as follows:

	1931	1930	1929	1928	1927
High	103	101	97½	102¼	102½
Low	102¼	100¼	97	99½	98½

Ship Cattle from Alberta

Approximately 6,000 head of cattle have been shipped from Alberta for export to Great Britain since the spring, according to J. J. Bowlen, M.P. for Calgary. In September alone a thousand head were shipped. Alberta had a good cattle year as well as grain year, it is pointed out.

C. N. R. HANDLINGS OF GRAIN IN 1931 SHOWED GAINS

Increase of 3,811 Cars Reported Over Previous Year

From Our Own Correspondent

MONTREAL.—Grain loadings on the Canadian National Railways in 1931 were higher than in the previous year, the total amount of grain handled being 108,989 cars, compared with 105,178 cars handled during 1930, an increase of 3,811 cars. Increases were recorded in every month except July, August and September.

At the end of 1931 it is stated there were 35,000,892 bushels in storage at country points along Canadian National lines, compared with 31,982,000 bushels in the previous year. Storage at the Canadian lakehead was 47,970,000 bushels in elevators accessible to the Canadian National Railways, while in the previous year the figure was 49,257,000 bushels. Arrivals at the lakehead totalled 80,889 cars, an increase of 847 cars over 1930 and unloadings were 2,167 cars higher at 83,472 cars.

Pacific Movement Greater

The movement of grain to the Pacific Coast in 1931 showed sharp gains. A total of 22,369 cars were delivered to Vancouver, New Westminster and Victoria, compared with 18,015 cars delivered during the previous 12 months.

Although there was no elevator construction at lakehead or tidewater during the year 27 additional elevators were built at country points on new branch lines of the C. N. R. Their construction increased storage capacity of country elevators by 874,000 bushels and raised total storage capacity of country elevators to 88,335,000 bushels.

A total of 4,853 cars of grain were delivered to the C. N. R. by the Northern Alberta Railways during the year as compared with 3,493 cars delivered during 1930. A statement of Government grain inspections shows that the C. N. R. handled 53.4 per cent of the cars of Prairie grain shipped in 1931.

Atlantic Region Holds Own

Lines of the Canadian National in the Atlantic Region are holding their own as compared with other regions of the system, so far as financial showing is concerned, according to W. U. Appleton, general manager. Dislocation of export markets was making itself felt, it was stated, as in the case of Prince Edward Island which in 1931 had been able to market scarcely one-quarter of its normal million bushels of potatoes moved by rail each year.

Offsetting this the pulp and paper mills at Dalhousie and Athol were sending about 20 cars of their products daily to various markets.

ACCEPTANCE CORP. BUSINESS VOLUME UP 15 PER CENT

Gains in Miscellaneous Offset Lower Auto Financing

From Our Own Correspondent

MONTREAL.—Volume of business secured by Industrial Acceptance Corp. in 1931 showed an increase of about 15 per cent over 1930, a noteworthy fact since the total volume of automobile financing in Canada shows a drop of 30 per cent from the figures produced for the preceding year.

The progress made in 1931 is attributed to the policy followed by the management in the past three years of diversifying its activities. Industrial Acceptance Corp.'s automobile volume showed a decrease of less than 10 per cent in 1931, but the company's business includes the financing of miscellaneous commodities such as electric refrigerators, radios, electric ranges, oil burners and several types of industrial machinery. This miscellaneous business showed an increase of 100 per cent over 1930. The diversification of financial facilities is stated to have brought about several valuable connections with important manufacturing firms.

Earnings of Industrial Acceptance Corp. in 1931 have not yet been released. In 1930 the gross volume of business was nearly $1,000,000 higher than 1929 at $12,600,914 while net income was $433,827 compared with $344,799.

After all charges, including debenture interest and additional reserve of $50,000 for credit contingencies, there remained a net profit of $64,370 applicable to dividends on the Class "A" stock. Dividends totalling $18,000 were distributed on the Class "A" stock in 1930.

ASBESTOS SHIPMENTS DOWN IN NOVEMBER

Eleven Months Total Off 33 Per Cent from Previous Year

From Our Own Correspondent

MONTREAL.—Shipments of asbestos in November, 1931, were 14,068 tons, compared with 16,546 tons in the previous month and 18,344 tons in November, 1930. Production in the eleven months ended November 30, 1931, totalled 149,220 tons, a decline of 33.2 per cent from the total of the corresponding period in 1930.

Exports of asbestos from Canada declined 11.2 per cent in November to 13,890 tons compared with 15,543 tons exported in October. Of this total, 9,886 tons were shipped to the United States; 1,675 tons to Belgium, and 637 tons to Germany, while smaller amounts were despatched to the Netherlands, France, Japan, Great Britain, Italy and Australia.

Asbestos manufactures valued at $14,913 were exported in November; of these Great Britain purchased 61.8 per cent; Newfoundland 30.4 per cent and France, Straits Settlements, Brazil, Bermuda, New Zealand and St. Pierre and Miquelon, the remainder.

Asbestos manufactures imported into Canada in November were valued at $28,836, of which the United States supplied 80.5 and Great Britain 15.7 per cent.

Average prices show some stability at $450-$400 per ton crude number 1 and $200-$250 for crude number 2.

CEMENT OUTPUT OFF 10 PER CENT IN TEN MONTHS

Figures Throw Light on Activity of Canada Cement Co.

From Our Own Correspondent

MONTREAL.—Canadian production of Portland cement in October, 1931, amounted to 1,126,834 barrels, an increase of 4.5 per cent over the September total but a decline of 5.1 per cent from October, 1930. In the first ten months of 1931, cement production in Canada totalled 8,904,894 barrels, a decline of 10.3 per cent from sales in the corresponding period of 1930.

The figures, issued by the Dominion Bureau of Statistics, throw light on activities of Canada Cement Co., which accounts for the greater share of cement output in Canada. A decline of 10.3 per cent in total sales for the first ten months of the year is not discouraging in face of general business conditions while price levels in the earlier months of the year were well maintained. Previous reports on cement production issued by the government contained figures on prices but these are not included in recent reports.

Exports Are Lower

Cement exports from Canada in October totalled 7,575 barrels, a decline of 5,000 barrels from the previous month. The Bermuda market absorbed 43 per cent of these exports and Newfoundland, 38.6 per cent. Imports were at a low figure, totalling 1,730 barrels valued at $9,105 in October. United States supplied 1,471 barrels of these importations.

The financial statement of Canada Cement Co. for the year ended November 30, 1931, is expected to be released shortly. Government figures on the cement industry point to the likelihood of reduced revenue, though no information is available as yet regarding share earnings.

In the year ended November 30, 1930, earnings on the preferred were equal to $7.46 a share and the common stock earned 33 cents a share. These figures included substantial write-offs on account of depreciation and other reserves.

Montreal Stock Market Activity Down Last Year

From Our Own Correspondent

MONTREAL.—Total volume of trading on the Montreal Stock Exchange in 1931, was about half of that of 1930. The turnover in International Nickel and Brazilian Traction alone in 1930, amounting to nearly 6,000,000 shares, was just about equal to the total turnover of all stocks combined in 1931.

International Nickel, which held the first place in trading in 1930, was third, and Brazilian Traction assumed the leadership in 1931, followed by Montreal Power which held third place in 1930. Shares of C.P.R. were the fourth most actively traded stock in 1930.

Figures show that only eleven stocks traded on the Montreal Stock Exchange had turnovers of 100,000 shares or more in 1931.

Joint Manager is Appointed

From Our Own Correspondent

MONTREAL.—Appointment of John R. Ryan as joint manager of their Montreal Office is announced by Hemphill, Noyes and Co., members of the New York Stock Exchange. Private wire connections are maintained with the New York office of Hemphill, Noyes and Co., and also with numerous other cities throughout the United States.

Proven Principles
This Company has, and will continue, to avoid extremes. It invariably adheres to the broad middle course of proven principles of safety in handling its own affairs and the business of its clients.
Crown Trust Company
CROWN TRUST COMPANY · EXECUTORS · TRUSTEES · AGENTS
WILLIAM I. GEAR - - - President
ARTHUR LYMAN - - Vice-President
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IRVING P. REXFORD - Gen. Manager
St. James Street · Montreal

Plan for Gigantic Lake in Prairies is Proposed

A proposal for the flooding of huge areas in the northwest by means of dams on the Mackenzie, Coppermine and Saskatchewan rivers is in the hands of Hon. J. F. Bryant, Saskatchewan minister of public works, who is also chairman of a provincial commission on conservation and afforestation. The formation of a gigantic lake by this means is suggested in order to halt the ravages of drought, and it is said that such a scheme could be carried out at small expense.

At the last session of the Manitoba legislature a plan for the storage of the flood waters of the Saskatchewan River in Manitoba's northern lakes was discussed and a small sum of money set aside for investigation.

Jellett Nominated Head Montreal Board of Trade

From Our Own Correspondent

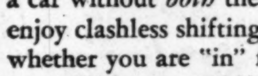
MONTREAL.—R. P. Jellett, general manager of the Royal Trust Co., has been nominated as next president of the Montreal Board of Trade, succeeding Norman J. Dawes, president of National Breweries.

Henry W. Morgan, of Henry Morgan and Co., has been nominated for the office of first vice-president, while R. J. Magor has been named for the second vice-presidency.

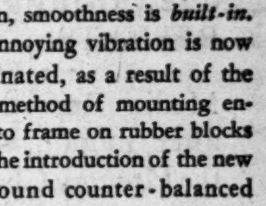
Halifax Secures Grain Handlings

Negotiations have been completed for the handling of approximately 1,000,000 bushels of grain through the Halifax elevators during the next two months, as a result of efforts made by the Harbor Commission

What's New in the New CHEVROLET SIX
The Lowest Priced Car Combining Syncro-Mesh Shifting with Free Wheeling

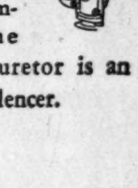


Chevrolet's combination of Syncro-Mesh transmission with Free Wheeling enables you to do things in driving impossible in a car without *both* these features. With Silent Syncro-Mesh you enjoy clashless shifting at all speeds—back and forth—no matter whether you are "in" free wheeling or not. When descending a steep hill you can shift rapidly from high to second and gain the full braking power of the engine.
Chevrolet's Free Wheeling enables you to coast, free from the drag of the engine, when you lift your foot from the accelerator. And when you shift gears, you do so with never-to-be-forgotten ease!
SMOOTHER SIX-CYLINDER MOTOR



Due to Chevrolet's 6-cylinder design, smoothness is *built-in.* All annoying vibration is now eliminated, as a result of the new method of mounting engine to frame on rubber blocks and the introduction of the new 53-pound counter-balanced crankshaft.

A Popular New Note in Fisher Body Styling
A new ultra-modern silhouette is gained by slanting the windshield at a smart new angle—streamlining the front body pillars—and utilizing the distinctive style points of today's finest cars. Interiors have rich new upholsteries, handsome chrome-plated fittings, adjustable sun visor, finger-touch adjustable driver's seat, and a convenient ash-tray on the dash. One of the most striking features of the beautiful new Chevrolet is the distinctive front-end appearance. Deeper radiator with built-in grille, arched double tie-bar, trumpet horn and bullet-type headlamps. The smart effect is enhanced by the introduction of adjustable hood ports.
20% INCREASE IN POWER
Chevrolet is now a 60-horse-power car—enabling you to accelerate from 5 to 25 miles an hour in less than 7 seconds. This husky, big-car power gives ample reserve of speed.
DOWN-DRAFT CARBURETION
The Down-draft Carburetor is an important factor in Chevrolet's speed, acceleration and easy starting. Combined with the down-draft carburetor is an efficient intake silencer.



A GENERAL MOTORS VALUE—PRODUCED IN CANADA
CHEVROLET
GM GENERAL MOTORS PRODUCTS
● *The new Chevrolet Six—THE GREAT CANADIAN VALUE—may be purchased on easy GMAC terms. Lasting satisfaction is assured by the broad, inclusive General Motors Owner Service Policy.*
Your nearest Chevrolet Dealer is listed under "General Motors Cars" in the Classified Pages of your Telephone Directory

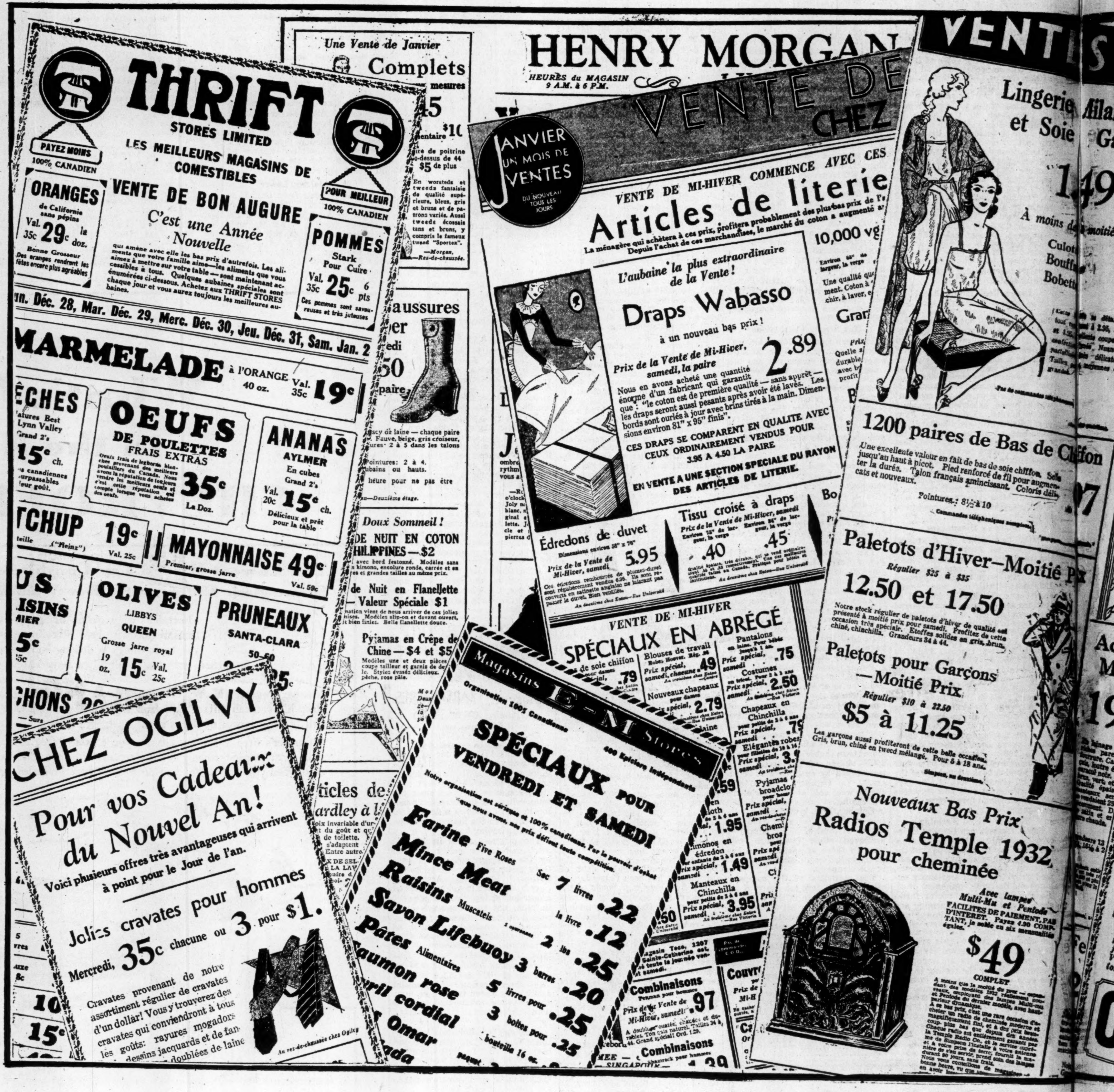
Follow the Montreal Departmenta

POSITIVE proof of the value of a newspaper as an advertising medium is to be found in the answer to this question:—"Do the Departmental and Grocery Chain Stores advertise strongly in it day after day and week after week?"

The reproductions in miniature from "La Presse," published on this page, answer this question in the affirmative and furnish definite proof to all that *"La Presse" is a most effective and productive advertising medium.*

Departmental and Grocery Chain Stores are run by the most efficient management. Each expense is checked closely and when these establishments invest large sums of money each year in "La Presse" advertising, it means one thing and one thing only—RESULTS.

Media Records, month after month, show that the Grocery Chain Stores place *all* their Montreal French newspaper advertising in "La Presse" and three out of the five Departmental Stores do likewise. This proves—(1) "La Presse" *sells* goods and (2) "La Presse" furnishes a *wonderful* coverage of the French Canadian buyers of Montreal and suburbs.



THRIFT STORES LIMITED
PAYEZ MOINS 100% CANADIEN
POUR MEILLEUR 100% CANADIEN
LES MEILLEURS MAGASINS DE COMESTIBLES
VENTE DE BON AUGURE
C'est une Année Nouvelle
qui amène avec elle les bas prix d'autrefois. Les aliments que votre famille aime—les aliments que vous aimez à mettre sur votre table — sont maintenant accessibles à tous. Quelques aubaines spéciales sont énumérées ci-dessous. Achetez aux THRIFT STORES chaque jour et vous aurez toujours les meilleures aubaines.
ORANGES de Californie sans pépins Val. 35c 29c la doz. Bonne Grosseur Des oranges rendront les fêtes encore plus agréables
POMMES Stark Pour Cuire Val. 35c 25c 6 pts Ces pommes sont savoureuses et très juteuses
…un. Déc. 28, Mar. Déc. 29, Merc. Déc. 30, Jeu. Déc. 31, Sam. Jan. 2
MARMELADE à l'ORANGE 40 oz. Val. 35c 19c
…ÊCHES …atures Best Lynn Valley Grand 2's 15c ch. …s canadiennes …urpassables …leur goût.
OEUFS DE POULETTES FRAIS EXTRAS 35c La Doz. Oeufs frais de leghorns blanches provenant des meilleurs poulaillers du Canada. Nous avons la réputation de toujours vendre les meilleurs oeufs et c'est cette réputation qui compte lorsque vous achetez des oeufs.
ANANAS AYLMER En cubes Grand 2's Val. 20c 15c ch. Délicieux et prêt pour la table
…TCHUP …teille ("Heinz") 19c Val. 25c
MAYONNAISE 49c Premier, grosse jarre Val. 59c
…US …ISINS …MIER 5c …5c
OLIVES LIBBYS QUEEN Grosse jarre royal 19 oz. 15c Val. 25c
PRUNEAUX SANTA-CLARA 50-60 …5c
…CHONS 2… — Surs

Une Vente de Janvier
Complets … mesures …45 …entaire $10 …ire de poitrine …-dessus de 44 $5 de plus
En worsteds et tweeds fantaisie de qualité supérieure, bleus, gris et bruns et de patrons variés. Aussi tweeds écossais tans et bruns, y compris le fameux tweed "Sportex".
—Morgan, —Rez-de-chaussée.
…aussures …er …edi …50 …paire
…scy de laine — chaque paire …. Fauve, beige, gris croiseur, …ures 2 à 5 dans les talons
…ointures: 2 à 4. …ubains ou hauts.
… heure pour ne pas être
…n—Deuxième étage.
Doux Sommeil!
…DE NUIT EN COTON …HILIPPINES — $2
… avec bord festonné. Modèles sans …s kimono, encolure ronde, carrée et en …es et grandes tailles au même prix.
…de Nuit en Flanellette — Valeur Spéciale $1
…nation vient de nous arriver de ces jolies …nises. Modèles slip-on et devant ouvert, …t bien finies. Belle flanellette douce.
Pyjamas en Crêpe de Chine — $4 et $5
Modèles une et deux pièces coupe tailleur et garnis de de… le. Styles évasés délicieux. …pêche, rose pâle.
…ticles de… …ardley à l…

HENRY MORGAN
HEURES du MAGASIN 9 A.M. à 6 P.M.
VENTE DE … CHEZ …
JANVIER UN MOIS DE VENTES DU NOUVEAU TOUS LES JOURS
VENTE DE MI-HIVER COMMENCE AVEC CES
Articles de literie
La ménagère qui achètera à ces prix, profitera probablement des plus bas prix de l'… Depuis l'achat de ces marchandises, le marché du coton a augmenté a…
L'aubaine la plus extraordinaire de la Vente!
Draps Wabasso
à un nouveau bas prix!
Prix de la Vente de Mi-Hiver, samedi, la paire 2.89
Nous en avons acheté une quantité énorme d'un fabricant qui garantit que: "le coton est de première qualité — sans apprêt — les draps seront aussi pesants après avoir été lavés. Les bords sont ourlés à jour avec brins tirés à la main. Dimensions environ 81" x 95" finis".
CES DRAPS SE COMPARENT EN QUALITE AVEC CEUX ORDINAIREMENT VENDUS POUR 3.95 A 4.50 LA PAIRE
EN VENTE A UNE SECTION SPECIALE DU RAYON DES ARTICLES DE LITERIE.
10,000 vg…
Édredons de duvet
Dimensions environ 58" x 70"
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Ces édredons rembourrés de plumes-duvet sont régulièrement vendus 6.95. Ils sont recouverts en satinette anglaise ne laissant pas passer le duvet. Bien ventilés.
Au deuxième chez Eaton—Rue Université
Tissu croisé à draps
Prix de la Vente de Mi-Hiver, samedi
.40 .45
VENTE DE MI-HIVER
SPÉCIAUX EN ABRÉGÉ
…de soie chiffon pour dames …79
Blouses de travail Robes Hoover. Prix spécial, samedi, chacune .49
Nouveaux chapeaux pour dames Prix spécial, 2.79
Pantalons en laine. Pour bébés jusqu'à 1 an. Prix spécial, samedi .75
Costumes en tricot. Pour 2 à 3 ans Prix spécial, samedi 2.50
Chapeaux en Chinchilla pour petits de 2 à 6 ans Prix spécial, samedi .79
Élégantes robes pour fillettes de 10 à 14 Prix spécial, samedi 3.…
Pyjamas … broadclo…
…imonos en édredon pour enfants de 2 à 6 ans Prix spécial, samedi 1.49
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Combinaisons Penman pour hommes Prix de la Vente de Mi-Hiver, samedi .97
Combinaisons Shamrock pour hommes

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Organisation 100% Canadienne
400 Epiciers Indépendants
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Notre organisation est sérieuse et 100% canadienne. Par le pouvoir d'achat que nous avons, nos prix défient toute compétition.
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Mince Meat la livre .12
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Savon Lifebuoy 3 barres .20
Pâtes Alimentaires 5 livres pour .25
Saumon rose 3 boîtes pour .25
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Pour vos Cadeaux du Nouvel An!
Voici plusieurs offres très avantageuses qui arrivent à point pour le Jour de l'an.
Jolies cravates pour hommes
Mercredi, 35c chacune ou 3 pour $1.
Cravates provenant de notre assortiment régulier de cravates d'un dollar! Vous y trouverez des cravates qui conviendront à tous les goûts: rayures mogadors dessins jacquards et de fan… doublées de laine
Au rez-de-chaussée chez Ogilvy

VENTES
Lingerie … et Soie …
1.49
À moins de … moitié
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1200 paires de Bas de Chiffon
Une excellente valeur en fait de bas de soie chiffon. Soie jusqu'au haut à picot. Pied renforcé de fil pour augmenter la durée. Talon français amincissant. Coloris délicats et nouveaux.
Pointures: 8½ à 10
Paletots d'Hiver—Moitié Prix
Régulier $25 à $35
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Notre stock régulier de paletots d'hiver de qualité est présenté à moitié prix pour samedi. Profitez de cette occasion très spéciale. Etoffes solides en gris, brun, chiné, chinchilla. Grandeurs 34 à 44.
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Régulier $10 à 22.50
$5 à 11.25
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Simpson, au deuxième.
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FACILITES DE PAIEMENT, PAS D'INTERET. Payez 4.90 COMPTANT, le solde en six mensualités égales.
$49 COMPLET

"La Presse" translation staff transfers English ads into good selling French, easily understood by all.

LA PR

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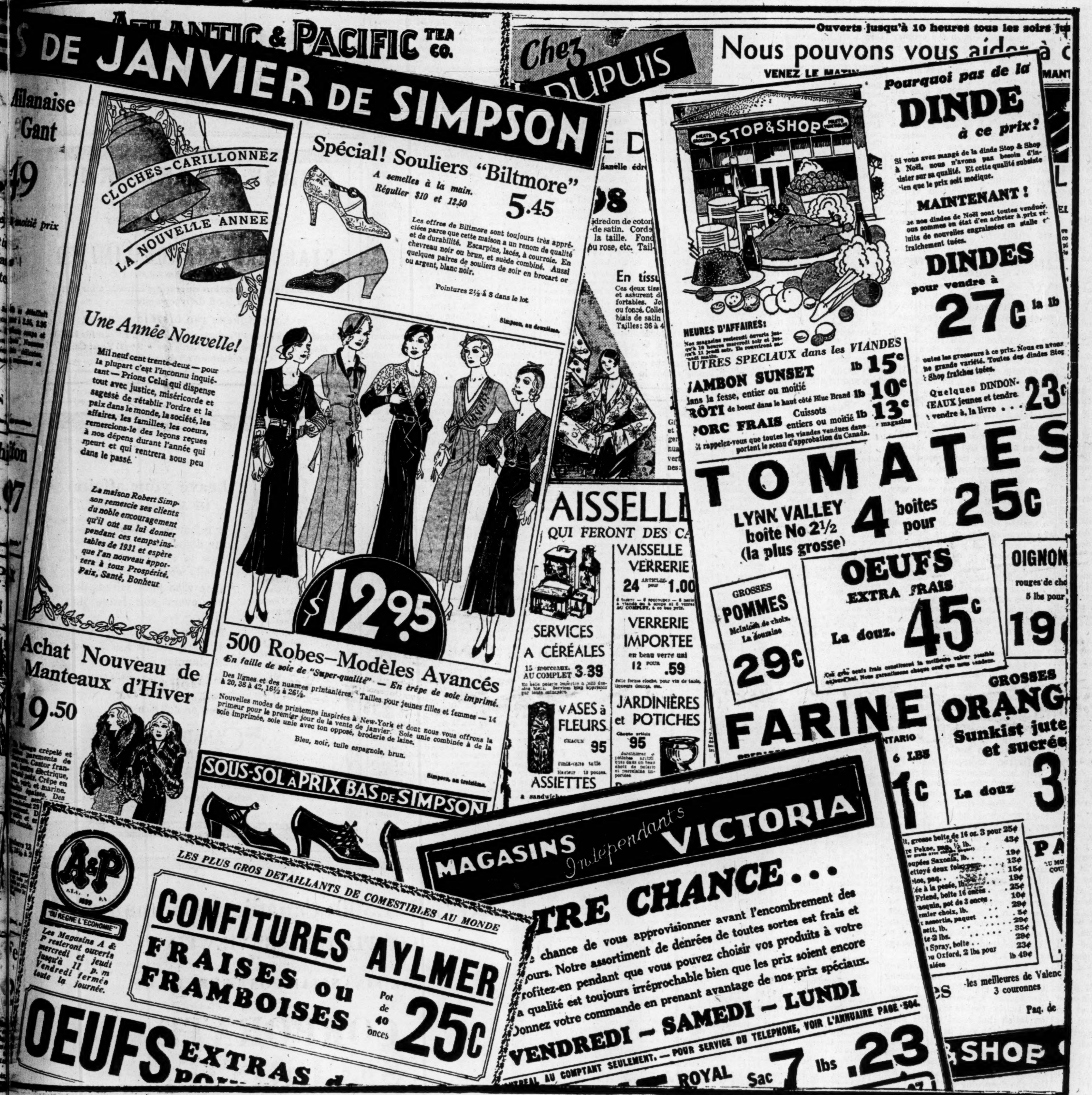

ATLANTIC & PACIFIC TEA CO.

DE JANVIER DE SIMPSON

CLOCHES-CARILLONNEZ
LA NOUVELLE ANNEE

Une Année Nouvelle!

Mil neuf cent trente-deux — pour la plupart c'est l'inconnu inquiétant — Prions Celui qui dispense tout avec justice, miséricorde et sagesse de rétablir l'ordre et la paix dans le monde, la société, les affaires, les familles, les coeurs, remercions-le des leçons reçues à nos dépens durant l'année qui meurt et qui rentrera sous peu dans le passé.

La maison Robert Simpson remercie ses clients du noble encouragement qu'il ont su lui donner pendant ces temps instables de 1931 et espère que l'an nouveau apportera à tous Prospérité, Paix, Santé, Bonheur

Spécial! Souliers "Biltmore"
A semelles à la main.
Régulier $10 et 12.50
5.45

Les offres de Biltmore sont toujours très appréciées parce que cette maison a un renom de qualité et de durabilité. Escarpins, lacés, à courroie. En chevreau noir ou brun, et suède combiné. Aussi quelques paires de souliers de soir en brocart or ou argent, blanc noir.

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Simpson, au deuxième.

$12.95

500 Robes—Modèles Avancés
En faille de soie de "Super-qualité" — En crêpe de soie imprimé.

Des lignes et des nuances printanières. Tailles pour jeunes filles et femmes — 14 à 20, 38 à 42, 16½ à 26½.

Nouvelles modes de printemps inspirées à New-York et dont nous vous offrons la primeur pour le premier jour de la vente de janvier. Soie unie combinée à de la soie imprimée, soie unie avec ton opposé, broderie de laine.

Bleu, noir, tuile espagnole, brun.

Simpson, au troisième.

SOUS-SOL À PRIX BAS DE SIMPSON

Achat Nouveau de Manteaux d'Hiver
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A&P
"OU REGNE L'ECONOMIE"

Les Magasins A & P resteront ouverts mercredi et jeudi jusqu'à 11 p. m Vendredi fermés toute la journée.

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En tissu

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24 ARTICLES pour 1.00

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Pourquoi pas de la DINDE *à ce prix?*

Si vous avez mangé de la dinde Stop & Shop à Noël, nous n'avons pas besoin d'insister sur sa qualité. Et cette qualité subsiste bien que le prix soit modique.

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DINDES pour vendre à 27c la lb

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AUTRES SPECIAUX *dans les VIANDES*

JAMBON SUNSET lb 15c
dans la fesse, entier ou moitié

RÔTI de boeuf dans le haut côté Blue Brand lb 10c

PORC FRAIS Cuissots entiers ou moitié lb 13c

Et rappelez-vous que toutes les viandes vendues dans nos magasins portent le sceau d'approbation du Canada.

Quelques DINDONNEAUX jeunes et tendre. à vendre à, la livre . . . 23c

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LYNN VALLEY boite No 2½ (la plus grosse) 4 boites pour 25c

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FARINE
ONTARIO 6 LBS

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MAGASINS *Indépendants* VICTORIA

TRE CHANCE...

chance de vous approvisionner avant l'encombrement des jours. Notre assortiment de denrées de toutes sortes est frais et profitez-en pendant que vous pouvez choisir vos produits à votre a qualité est toujours irréprochable bien que les prix soient encore Donnez votre commande en prenant avantage de nos prix spéciaux.

VENDREDI — SAMEDI — LUNDI

AU COMPTANT SEULEMENT. — POUR SERVICE DU TELEPHONE, VOIR L'ANNUAIRE PAGE 504.

ROYAL Sac 7 lbs .23

SHOP

ACCORDING to the 1931-32 Lovell's Montreal Directory, the population of Greater Montreal is 1,293,092. Of this total: 918,095 are French Canadians, 245,688 English and 129,309 Foreign.

Within a radius of 50 miles from Montreal City Hall, there is a population of about 2,000,000. With three exceptions all counties within this radius are overwhelmingly French. Seventy-one per cent of Montreal is French and 82 per cent of Quebec Province as a whole is French.

Positively the only way to reach these people is by French advertising. Apart from our statements, figures clearly show that the English papers need all their circulation to cover the English homes and likewise the large circulation of "La Presse" is needed to cover the French families. Our advertising rate is very low, being a milline rate of only 1.27 (Standard Rate and Data). This is among the very lowest milline rates on the American Continent, so you can buy "La Presse" space assured that you are paying very low rates for your advertising.

ESSE

ium of the Montreal-Quebec Market"

Ads for insertion in "La Presse" are translated into French free of charge. We translate thousands of ads each month.

MAGAZINE PRINTED ENTIRELY IN FRENCH

in 9652

S. L. Rees, Manager

THE FINANCIAL POST

Member Audit Bureau of Circulations

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A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

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Debenture and Dividend Notices—26c. per agate line.
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SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

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THE FINANCIAL POST CORPORATION SERVICE. $20 monthly. Special prices for selected part service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS. Yearly, $10.

TORONTO, JANUARY 16, 1932

CIVIL SERVICE SALARIES

VARIOUS provincial governments in Canada have put through reductions in civil service salaries. No action has been taken yet by the Federal Government although it has been under consideration. While The Financial Post has pointed to the necessity for cost reduction in both private and public business in order that Canada may be put in a position to compete with other nations, and in order that proper adjustment may be made between different classes in the community, it has not urged that civil service salaries generally should be reduced. There are some differences between civil service salaries and salaries in private business. Most people working for the Government are content to accept a smaller salary than they can get outside because of the greater surety of employment that they have. There are often other advantages, such as longer holidays, sick leave, pensions, shorter working hours, etc. Governmental salaries are notoriously slow to be adjusted upward and, generally speaking, the public should not object if they are also slow in being adjusted downward.

The ideal way would be for governments to go through their personnel and make reductions where they were called for by declining costs in living, or by lowered efficiency and even to make salary increases where they were justified by increased responsibility or by more efficient work. But it is the curse of governmental business that such cold, calculating policies tend to be thwarted by political considerations.

The savings that can be made in governmental costs in other directions are much more important. An attempt should be made over a term of years to reduce the governmental personnel. Practically every government in Canada could get along with no new appointments in the public service for the next five years, with all vacancies being filled by transferring men from one department to another. The saving of a $2,000 salary to one man is equivalent to a 10 per cent cut in the salaries of ten men earning $2,000 a year. The deputy ministers should keep their staffs at the lowest point and thus postpone general cuts in salaries. In a time like this, all extra and sessional help could be eliminated by transferring men and women from other work.

Governments should put an immediate stop to the opening up of new departments, the establishment of new services, and the undertaking of new construction developments. They should go further and gradually eliminate many of the present public services that are economically unsound and unnecessary. There should always be the same economy and efficiency in the conduct of public services that is being shown in a greater degree than ever before by citizens in their own affairs, in agriculture and in industry.

The governmental costs can be brought down, but it would be a mistake to assume that the first consideration is a cut in civil service salaries.

PROVINCIAL CONTROL OF MUNICIPALITIES

THE United Farmers of Ontario, in a statement issued over the signature of R. J. Scott, president, and J. J. Morrison, secretary-treasurer, object to the proposal of the Ontario Government to control municipal financing in the Province of Ontario in order to prevent creation of excess debt burdens. While the arguments presented by the U. F. O. are important and interesting they do not alter the fact that in the provinces that have already adopted such control, the status of municipal credit has been raised. Whenever one municipality gets into trouble, the bonds of every other municipality in the same province are bound to be affected unfavorably in the market. The provinces should attempt by preventive means to avoid trouble in any municipality. The municipalities derive their authority from the Provincial Government which should see that that authority is not exercised to the detriment of the other municipalities.

But the U. F. O. officers are on solid ground when they point out that the municipality has not offended in the spending of public funds and in the piling up of public indebtedness to the same extent as the provinces. It is rather paradoxical that a province that has until recently been recklessly piling up debt should attempt to curtail the expenditures of the municipalities. Any province that undertakes to require sound government from its municipal units should give the lead by a policy of sound financial administration of its own affairs.

The U. F. O. might also have called more prominently to attention the fact that a large proportion of the increased cost of municipal government is due to provincial legislation on schools, health, roads, etc. Without consulting the municipalities, the province has passed one law after another that has increased the expenditures of the municipalities. There would be less difficulty in municipal finance if the provinces were to pass fewer laws that involved the municipalities in large and often unwarranted expenses.

CASE FOR CENTRAL BANK NOT YET PROVEN

CANADA is certain to hear much in the next few years of the oft-repeated proposal for a Central Bank or Federal Reserve System for Canada. The need for such an institution has never yet been conclusively demonstrated by its protagonists. Certainly the experience of the United States and England should make us chary.

The United States is today in a state of banking panic that has not been previously duplicated in that country's history. There is a nation-wide freeze-up of banking capital and while the Federal Reserve authorities claim to have eased the credit situation it has been necessary to form a National Credit Corporation and a Reconstruction Finance Corporation to stem the tide of bank failure. The Federal Reserve system has never been able to reconcile its domestic obligations with its international functions. Its policies have at times been weak and wobbling; at other times strong and determined. It has been alternately tragically wrong and profoundly right. Its only permanent accomplishment has been to provide the United States banking system with some of the mobility that has always been and still is present in the Canadian system.

The Bank of England has faced the same problem of being at one and the same time of service to British banking and industry and of service to British finance in its international relations. When there arose a direct conflict in the needs of home industry and the desires of London acceptance houses there was no question as to the direction in which the bank would lean. As of a recent date there were on the board of this privately-owned British central bank, twenty men who were partners of British merchant banking firms, seven men who were directors of banks operating in foreign and colonial countries and not a single person who was a director of one of the British home banks. There was more than appeared on the surface in the statement of the committee that "there is still a degree of aloofness and remoteness in the daily relations between the Bank of England and the clearing banks which does not exist, for example, between the Bank of England and the merchant banks, the leading issuing and accepting bonuses and the bill brokers."

If the need for a Central Bank for Canada is to be demonstrated by reference to the record of the Federal Reserve System and the Bank of England, the case remains, in the words of the old Scotch verdict, "Not proven."

IF RAILWAY STAFFS WERE REDUCED

THE railway telegraphers of Canada have done a rather amazing thing. They have issued a statement expressing concern regarding the discussion in favor of an amalgamation of the two Canadian railway systems. Such an amalgamation, they say, would throw 100,000 persons out of employment. The statement will probably have an effect that the telegraphers did not anticipate. The feeling of most people will be that the telegraphers make it clear that $100,000,000 can be cut from the railway expenses of this country without any reduction in necessary services.

Without anticipating the report of the Duff Commission, The Financial Post is on safe ground in stating that there is very pronounced opposition in many quarters in Canada to a complete amalgamation of the two large railway systems. It is always difficult to say what is politically possible and what is politically impossible but a railway merger at the moment looks to be in the latter class. But a merger of many branches of railway activity is within the realm of practical possibilities. A considerable reduction in competitive services between the C. N. R. and the C. P. R. has reached the point of being a practical certainty. It is unlikely that such can be brought about without a considerable reduction in railway staff. To that extent the alarm of the railway telegraphers is concerning their personal positions is justified in the close range view.

Handling the personnel problem is going to be a difficult task for the railway executives who may be called upon to put into effect any recommendations of the Duff Commission along the line of reduction in services. No doubt the commission will deal with the problem in its report. An immediate and obvious step, of course, is for the railways to make no new appointments. A second step is for railway employees, who can see the handwriting on the wall for their own particular departments, to proceed to look for other appointments. A third step may be reduced salaries and wages for those who remain.

Every dollar saved in railway operation is a dollar that will be put into circulation in the country in some other way either by investment or spending and that will do its part to create a job to absorb some man thrown out of work in response to the public's insistent demand for efficiency and economy in railway operation.

No man's job is safe if it is a job that is held open for reasons of sympathy. The man who is kept at work simply for the sake of his purchasing power hasn't got a job worth having. It is not efficiency and economical operation of the superstructure of a country's business that creates unemployment but waste, inefficiency, and unnecessarily high costs.

ARE FREE CANALS JUSTIFIED TODAY?

WITH all the discussion of the competition between railways and the different forms of highway transportation, and the argument as to whether either one is paying its full share of the tax burden, there seems to have been overlooked the fact that there is a third great form of transportation in this country which has a direct bearing upon the other two. This is the canalization of our rivers. Canada has invested many millions of dollars in canals and has just completed the expenditure of $130,000,000 on a newer and better Welland Canal. Now we are proposing to spend an uncertain but obviously colossal sum of money on deepening the St. Lawrence waterway, thus throwing that river open to ships of all nations who will be able to use the expensive canal without the payment of a single dollar of tolls. Canadian ships going through the Soo Canal in northern Michigan pay no tolls and American ships going through the Welland Canal pay no tolls. By treaty, it has been determined that the United States and Canada will never charge tolls for the use of the canals along the international lake and river system.

The deepening of our rivers has reduced the cost of transportation of grain and some other commodities. It has not only provided a sea route for the transportation of these commodities but it has forced railways to reduce their rates on the lines that compete with the canal transportation. Various primary producers gain the entire direct benefit from the investment in these canals, but the taxpayers in general pay the cost of operation, plus the interest charges on the investment. It is proposed that the St. Lawrence waterway, no matter what it cost, shall also be thrown open freely to the commerce of the world, while the taxpayers pay the bills.

This is not true of other great canals. The Panama Canal, in its first seventeen years of operation, has returned an excess of total earnings over total operating expenses of more than $125,000,000. There are some months when the Panama Canal tolls are as much as $3,000,000, and the annual average is about $25,000,000.

When a policy like this has been established and is of long standing it is exceedingly difficult to change. Canada faces a governmental financial situation that is very acute and the fetish that canal traffic must be free might well be reviewed in the light of our present railway problem, of the development of the new form of transportation via the highways and of the serious burden that the deepening of the St. Lawrence will be to the country. No canal should be built that will not pay its way through the tolls that are exacted. There is no more reason why the St. Lawrence canal should be thrown open free to the commerce of the world than that the power developed on the St. Lawrence should be given without charge to all who wish to use it.

If we charge motorists, truckers and operators of buses gasoline taxes as a toll for using the highways what right have we to build canals at public expense for a small proportion of the population to use without charge?

SALES PROMOTION

ACTION of the Canadian Passenger Association in charging a fee for certificates issued in 1932 to members of the Canadian Travellers' Association and press representatives (who use the railways more than any other class of traveller) cannot be viewed as other than a short-sighted policy.

The railways have already lost considerable business through competition of motor cars and buses and one would think at this time that they would be using every means to have people travel by railroad than by motor car or bus.

This new policy appears ill-advised and one which will cost the railways far more than they will receive in fees.

Now all that remains is for some of the optimistic January 1 forecasts to come true.

POST-scripts

WHEN some of the biggest banks in the world amalgamate it would seem that a problem arises of what to do with all the excess directors. The Chase National of New York embraces within itself half a dozen banks that were so important and so large a few years ago that no one would ever have expected they would largely lose their identities in mergers. But now they are all in the Chase.

The Chase seems to have found a unique solution for the surplus directors problem. The list of directors of the bank suggests that they were all invited into the bigger and better board. There are 81 directors and 122 members of the branch advisory committees. In addition the bank has nearly 500 officers and nearly 8,000 who are merely employees. What these totals would be if all the affiliated institutions like the Equitable Trust, the Chase Securities Corporation, the Chase-Harris-Forbes Corporation, etc., were included is difficult to say.

* * *

THE attitude of the Canadian government regarding the gold standard is curious. Plenty of people cannot understand why the prime minister should be so insistent that Canada is on the gold standard when it is like pulling teeth to get gold in exchange for notes and when the gold cannot be exported without a permit if one does get it. A New Yorker visiting Toronto had a terse comment to make the other day:

"Canada reminds me of Skippy in the comic strip. Skippy climbed to the top of the mountain and then suddenly realized that there he was, way up on top of a mountain and there was no one there to see him.

"Canada is on top of the mountain and no one knows it."

New Books

"Back to Prosperity"

Stephen Leacock's recent writings have tended in the direction of popular dogmatisms. One can see him penning striking and original suggestions in order that he may sit back and enjoy the spectacle of seeing them torn to pieces by unfriendly critics and praised unduly by friendly theorists. It is a relief from a certain type of academic writing to have a man of the standing of Leacock of McGill writing thought-provoking not to mention argument-provoking material.

The professor's books get smaller as his ideas get bigger. This also is a development along the right lines; it widens his market and brings the argument at first hand to many who can not afford $5 volumes. "Back to Prosperity" sell at the same price as Chic Sale's and Eddie Cantor's works. If it has the same sale as the writings of those distinguished litterati there will be plenty of fireside and cracker-barrel debating in the next few months.

Prof. Leacock summarizes his views for the benefit, as he puts it, of those readers "whose rapid intelligence renders it unnecessary for them to read the book." This is a canny move. Prof. Leacock knows that his suggestions are of such an order that anyone reading them in summary form will want the whole argument. In brief, he thinks the Empire and the world would be better off if all war payments were cancelled. He urges an Empire-wide embargo on Russia. He outlines a quota system to be set up in the Empire behind a super-tariff against the rest of the world. He urges the writing down of the gold content of all Empire currencies and the freer use of silver in coinage to avoid further fall of prices. All these he feels will lead the Empire to its proper ultimate goal of greater economic unity. The volume is highly superficial. But Prof. Leacock is not writing to his fellow economists, although he knows they'll read and rant at the book. He is writing down to the great mass of the public and he shrewdly knows that they can grasp a ready-made idea and are not much interested in the pros and cons.

"Back to Prosperity" is published by MacMillan and Company, Toronto, at $1.

Supplement on Silver

The Financial News of London, England has published a special Silver Supplement containing many authoritative articles by economists and writers of the highest reputation.

Sir John Marriott writes the story of silver through the ages and, taking much of his material from the recently published "History of the Pound Sterling," recalls many previous financial crises in the history of the world that were not unlike the present one. Sir Robert Horne, who is Chairman of the Silver Association recently formed to promulgate doctrines of bimetallism, states the case for bitmetallism while P. J. Hamilton writes a comprehensive account of the other side of the story. Professor T. E. Gregory discusses with some scepticism the possibility of fixing silver prices. An interesting feature is an unpublished letter by Lord Balfour written in 1896 in which he gave some encouragement to bimetallism. This letter was written to an American correspondent, but never mailed, the British cabinet having objected to it. E. M. Gull, Secretary of the China Association, discusses the effect of the decline in silver on China's purchasing power, while a special correspondent in India writes about India's present stock of silver and defends that country from the charge of dumping on world markets more silver than could properly be absorbed. Other articles discussed where silver is mined, modern mining practices, commercial uses and investment possibilities.

Like the previous Gold Number of The Financial News, this volume is one of genuine value.

The front page of the issue is given over to a prophecy by Montagu Norman, Governor of the Bank of England, who declared that a serious fall in prices in International Trade would follow the abandonment of the silver standard of India. Headed "A Prophecy Fulfilled" this statement will no doubt give considerable comfort to proponents of various schemes of remonetizing silver. The statement is marked with a footnote—Advertisement—but no indication is given as to who paid for its insertion.

"Investment" Wrongly Priced

In sending us some little time ago a review copy of a new Canadian book, "Investment," by W. A. McKague, the publishers quoted a price of $4.50. They inform us that this was inadvertently incorrect and that the price of the book is $5.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

INFLATION vs. DEFLATION

APOLOGISTS for the Federal Reserve Board are putting out some striking figures which are designed to show that since the crash of 1929, the Federal Reserve credit has been inflated considerably. The purpose of this propaganda is obviously to offset the general impression that the Federal Reserve has been operated on the policy of forcing the process of deflation. It is difficult for the Canadian observer to comment intelligently upon either side of this argument. Nevertheless, the debate between the inflationists and the deflationists continues behind the scenes in the United States. There is some reason to believe that the administration at Washington would be favorable to the restoration of the price level by a policy of deliberate inflation which would also have the effect of putting the United States in a better position to compete with other countries that have already abandoned the gold standard. Some observers even foresee the possibility of the United States writing down the metallic content of its gold coin or abandoning the gold standard entirely in favor of a managed currency. Probably Ogden Mills, who is the dictator of American financial policies, although officially he is merely under-secretary of the treasury, would take a strong stand for the gold standard and sound money if he were called upon to do so. Wall Street bankers continue to defend the gold standard but then international bankers always fight to the last ditch for the gold standard until it is abandoned, then admit that the abandonment was probably a good thing. This has been the case in Britain and to some extent in Canada.

MANY pointed questions regarding the gold standard were put to Otto Kahn, head of Kuhn, Loeb & Company of New York when he appeared before a senate committee. It was obvious that many of the senators had no particularly high regard for the gold standard but Mr. Kahn was a strong advocate of its maintenance. He pooh-poohed the advanced economic ideas of J. M. Keynes, the British economist, and took the view that the reason Great Britain wanted the rest of the world to go off the gold standard was because "the fox had lost his tail and he wanted everybody else to lose his tail." Mr. Kahn stated that only the gold standard stands between the people and an abuse of the printing press.

In the meantime while Wall Street fights for the gold standard and sees a continuance of the relentless process of deflation as the only way out of the world's present troubles, the London Times expresses a growing British viewpoint when it says: "It is in the interests of both creditors and debitors that something should be done soon to lighten the burdens of debt by bringing about a rise in prices. Trade cannot revive until this has been done. The quantity of money must be increased in order to raise prices sufficiently to achieve its purpose. It is of more immediate importance to re-establish a practical relationship between debit and capacity to pay than to return to the gold standard." The most significant thing that the editor of this column has heard on the subject is that Lloyds are insuring against the possibility that the British pound will be at a premium over the U. S. dollar within a year. The pound can do this only through abandonment of the gold standard by the U. S.

Other People's Views

"The Merger Muddle"

Moose Jaw Times-Herald.—While "big business" everywhere is wobbling, it is interesting to note that Italy's economic system, based on agriculture and small-scale industry, appears, in fact, to have weathered the world crisis with comparative success; which emphasizes the view that "bigness" is not necessarily a true sign of stability or endurance; whether it be a dinosaur, an empire, or an all-absorbing industrial or financial merger. They have their day and cease to be, while the "meek,"—the fittest,—continue to inherit the earth.

We are inclined to believe that thousands who speculated in stocks and staked all their hard-earned savings on options on shares of "big" corporations now hold revised views as to what constitutes real financial strength and endurance. But this view is also gaining ground in "big business" itself. The "O.B.U." idea is not practical in the sphere of labor, of finance, of industry, of politics, or even of religion; whatever advantages it offers being counterbalanced by unfavorable reactions and inefficiency. There seems to be some law that has to do with the economy of size in respect to everything in every realm; and it would appear that the "big" mergers have at last run up against this law.

Governments in Business

Public Service Monthly, Chicago.—Three great British Dominions, Australia, New Zealand and Canada, are struggling with a common scourge, government in business. It has reduced New Zealand to bankruptcy and Australia to practical insolvency and has added nearly a billion dollars to the cost of government in Canada in the last eight years, causing grave concern to statesmen and business men in the Dominion.

The Dominion of Canada, a great country, wonderfully rich in natural resources, with some great development, splendid cities, a progressive and law-loving people, is paying a tribute to this system of government in business far too large to satisfy her leaders of industry and government. Both financial and political circles are now aroused over the lavish expenditures on account of government in business, the effect of which is specially emphasized now that the government in the present crisis must lay out so much money for unemployment relief. Canadians who heretofore approved of government in business are coming to realize that though a strong government might endure this system during prosperous times, it is even then a vicious system for it gradually deprives the government of its reserve forces so essential to the public welfare when the first emergency arises. It is like the man who "lays up nothing for the rainy day," the prodigal who "wastes his substance in riotous living."

Stocks at Low Levels

The Annalist, New York.—A well-known industrial stock average is now back to approximately its 1921 low point. This average has thus cancelled eight years of decline. In the same period an average of railroad stocks has cancelled all the ground gained in the preceding fifty years. It would seem that these losses probably discount most of the unfavorable developments of the past two years.

It may be argued that industrial stocks should sell lower than in 1921 because business is worse, but against this fact must be balanced the accumulations or surplus and general strengthening of the position of many corporations over the past decade. On the other hand, the low level of commodity prices probably warrants a downward readjustment of capital values.

There are wide contrasts in the relation of individual stock prices to 1921 lows. This week's low of 54 in American Can, for example, compares with a 1921 low of slightly less than 4. General Motors at 19 compares with a 1921 low of 5, after allowing for split-ups and capital changes. On the other hand, Anaconda is selling for about a third of its 1921 low. Montgomery Ward at 8 compares with a 1921 low of 13. General Electric at 22 compares with a 1921 low of 8. Steel at this week's low was about 70 per cent of its 1921 low record. New York Central at its recent low record was less than 40 per cent of its 1921 low.

"Stop Me If You've Heard This One"

Jimmy Dunn writes to tell me about the English actor who received a rebuke from a director.

"Go on," he said, "drop your aitches, can't you?"

"I'm supposed to be acting the part of a British peer," argued the Englishman.

"I know that," said the director, "but all you English drop your aitches, don't you?"

"Good gracious, no!" the Englishman responded.

The director pondered a moment and then said, "Well drop 'em anyhow. The guys on this side expect it!"

Saint John Board and Turnover Tax

Although Ottawa authorities who are generally well informed feel satisfied that the government does not intend to impose a turnover Tax, the Saint John Board of Trade states that it will continue its opposing agitation, and take nothing for granted. "Already," says the board's bulletin, "we have stirred up quite a number of the most influential commercial organizations. Thus, Ottawa will labor under no illusion concerning the views of the business community. The turnover tax is impracticable and uneconomic. Its introduction at this time would gravely disturb commerce. The sales tax is operating satisfactorily: If necessary, it could be increased;—but, any new form of such levy now would be singularly bad. And yet, every now and then, responsible newspapers quite confidently inform their readers that the turnover tax is being seriously considered;—and it is generally safe to assume that where there is smoke there is fire also."

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Business Conditions in Canada

The Week in Business

New Branch Plants Give Industrial Impetus

Maritimes Criticize British Dump Duty

IF PRESENT indications are maintained, one of the most important developments in Canadian business during 1932 will be the development and growth of new branch plants which have been opening literally by the score during 1931 and which have appeared in particular profusion during the last few weeks. So important is this trend in relation to the development of different industrial communities in Canada and the consequent new demand for raw materials, equipment, machinery and so forth, that The Financial Post will, during 1932, gather news of these developments from all parts of Canada and will publish all information pertaining to plant extensions and new plant arrivals under a special heading week by week.

For instance in one week alone (the first week in the new year), Toronto Industrial Commission announced the establishment of no less than five new branch factories in Toronto, representing firms in the United States with total assets of more than $18,000,000. Similarly from Quebec we learn that within recent weeks three important factories representing an investment of close to $1,000,000 are being established. One of these is a Granby, another at Montmagny and the third at Victoriaville. An important plant extension also underway in Quebec is that of the Jenkins Brothers which is investing a total of $2,000,000 in plant extension the first unit of which will be opened late in January.

Equally interesting developments are going on at Brantford, Ont., where within the past few weeks some half dozen important new industrial developments have been announced, three of which alone, will employ 200 men and add $300,000 to the city's industrial wage bill. This is probably the most important impetus given to Brantford industry in many years and is largely the direct result of energetic efforts on the part of the local industrial commission in taking advantage of the opportunity created by tariff and exchange situations which have been the most powerful factors in causing many firms to make a definite decision for a Canadian location. Another important trend has been, of course, in the automobile industry, the Hudson-Essex plant announced last week being the tenth Canadian automobile plant to announce a new Canadian branch plant.

* * *

FROM the Maritimes comes a bitter complaint against the manner in which the federal customs is handling the matter of British imports at the present time. "A consummate masterpiece of complexity" is one of the phrases used to describe the situation to which is added the further verbal condemnation "a really perfect example of distorted ingenuity in the creation of sheer bewilderment." The argument in brief is that the present basis of valuation for duty purposes has injected into business, elements of chance quite beyond best business judgment, and that the present federal plan of charging duty on a $4.86 basis, plus a special dumping duty on the difference between the basic exchange rate of $4.40 and the average rate of exchange as determined at Ottawa for each 15-day period, is "unsound in principle, is strangling British imports and has become nothing more or less than "additional protection for the manufacturers of Central Canada."

The Maritimes are probably quite justified in their belief that the present situation adds considerable and unsatisfactory elements of chance to business but whether under existing exchange situations, the cure lies in abolition of the special dumping duty and abandonment of the $4.86 valuation of the pound is somewhat uncertain. The Maritime basis for urging abolition of the special dumping duty is that the British manufacturer has now advanced his prices in sympathy with the decline in currency value therefore obviating the need for the dump. Probably the greatest handicap to importations at the present time is the lack of uniformity in customs rulings and the need for clarifying practice as between official Ottawa rulings and the interpretations of harassed but in most cases well-meaning and conscientious customs officials.

1931 PRODUCTION OF RUBBER GOODS SHRANK SEVERELY

Canada's Tire Exports Decreased More Than Any Country

A considerable shrinkage of rubber manufacturing in Canada during 1931 is noticeable from figures available covering the eleven months period to the end of November. This has been chiefly due to drastic curtailment of exports and to reduced sales to motor car manufacturers whose production decreased by about 46 per cent.

Since Canada imports all her crude rubber for fabrication, receipts of this commodity, as recorded by the Customs department, afford a good picture of the activity of rubber manufacturing operations. The customs records for the past ten years are as follows:

Crude Rubber Imports

	Total lbs.	Value $
1921	18,476,290	3,598,386
1922	21,075,630	3,548,278
1923	29,695,626	8,713,209
1924	32,893,840	8,199,734
1925	44,407,421	25,810,949
1926	45,312,477	24,926,556
1927	59,145,951	22,623,511
1928	69,197,385	18,035,338
1929	79,407,944	17,107,408
1930	64,491,959	8,681,743
1931 11 mos.	51,089,303	3,742,127

The above indicates a reduction of about 17 per cent in physical volume in 1931 as against 1930. That reduced demand for tires was largely responsible for this drop is evidenced by a comparison of the eleven months' figures for the two years, in which a decrease in production of 772,700 tires, or 25 per cent is revealed. Sales to car manufacturers dropped 303,400 or 44 per cent, although there was a slight improvement in sales to tire dealers, who took nearly 1,500,000 casings for road distribution. These factors, together with the big decline in export sales, accounted for a reduced shipment from factories of about 800,000 units, or 24 per cent.

Exports Down 43 Per Cent

Nine months figures showed that Canadian exports of tires decreased more than those of any other country, according to a world survey appearing in the United States Commerce Reports, the total dropping from 1,123,353 in the nine months of 1930 to 639,143 in 1931 The development of branch factories in the Argentine cut exports to that country from 151,343 to 29,128 casings. Shipments to New Zealand declined, being 128,159 for the first nine months of 1930, and but 39,016 in 1931, an 80 per cent loss. Denmark took 60 per cent of its last year's requirements and Belgium's total dropped from 74,407 to 39,260 casings.

British South Africa has become the largest Canadian tire market, consuming 104,346 casings to October 1, 1931, with Brazil a poor second, taking 43,709.

Canada Price Indices Show 12 to 50 p. c. Lag

Analysis of Changes in Price Level During 1931 Reveals Reasons for Decline in Purchasing Power

By H. F. GREENWAY,
Prices Statistician, Dom. Bureau of Statistics.
(Prepared for The Financial Post Business Year Book, 1932)

One of the most unfortunate economic developments of the past two years has been the unbalancing of price equilibrium between different groups of commodities. The mere fact that prices are falling will ordinarily introduce a hesitant frame of mind in business circles, but actual losses may be slight so long as the downward movement is fairly uniform for all kinds of goods. Where prices recede together, the purchasing power of different sections of the community, represented let us say by the farmer and the manufacturer, remains substantially unchanged.

If, however, prices which the farmer receives for his produce fall by twice the amount manufactured goods decline, a condition develops where the farmer can buy much less of these finished products. This cannot fail to lower the farmer's standard of living, and the consequent loss of business will more than likely prove hurtful to the manufacturer. It is the development of a condition of this kind which Canada, along with most other countries, has found increasingly embarrassing during the past two years.

Varying Changes Noted

From August, 1929, until the last quarter of 1931 wholesale prices of commodities have declined steadily, but at varying rates of speed, depending largely upon the degree of their manufacture. Characteristically, prices for goods sold at retail did not commence to fall until several months later, with the coming of 1930, and even then the movement failed to include all living costs. Rentals did not begin to move lower until the autumn of 1930, while the costs of a number of important services have not even yet shown any downward tendency. The effect of these differing lags has been felt most keenly by the producer of raw materials, the prices for which began to fall earliest and most precipitately. Conversely, the smallest adverse effect has been experienced by dealers in finished goods.

Analysis of the Dominion Bureau index numbers of prices (average prices in 1926 equal 100) reveals that the index for prices of Canadian farm products (59 items) has led the decline. From 109.2 in August, 1929, this series dropped steadily to 52.8 in September, 1931. Advances in October and November to 55.8 left the group still 49 per cent below the peak of August, 1929. Raw and partly manufactured goods (232 items) including a wider range of commodities than the preceding group, fell from 102.3 in August, 1929, to 60.8 in November, 1931, a fall of more than 40 per cent. Fully and chiefly manufactured goods (276 items) in the same interval moved down almost 23 per cent from 94.5 to 73.0, showing, as might be expected, a slower rate of decline in keeping with the greater amount of handling and processing involved.

Retail Prices Lag

Retail price indices have exhibited a lag in addition to a more gradual recession. A retail food index (46 items) fell from 106.5 in January, 1930, to 68.5 in November, 1931, or 36 per cent. Prices of raw materials for (52 items) foods at wholesale began falling in September, 1929, and since then have dropped over 45 per cent. The decline in goods other than foods sold at retail dated from December, 1928, when the index was 97.5 and continued to November, 1931, when the number was 85.3, making a total fall of over 12 per cent.

A combined index (245 items) including retail prices, rents, and costs of services, dropped from 102.1 in January, 1930, to 85.7 in November, 1931, or somewhat better than 16 per cent. These figures show, therefore, widely spread group price declines within the past two years, ranging from roughly 49 per cent to less than 13 per cent.

Reason For Disparity

The main causes of this disparity are easily discerned. Labor and capital costs involved in producing primary products are usually relatively small, tending to simplify the equation between demand and supply, and thereby to create a sensitive balance between the two. In many cases, where demand is inelastic, e.g., for wheat, the price factor in supply is extremely active. Unusual accumulations of raw commodities in the past few years, placed upon unreceptive markets, have produced therefore a decidedly depressing effect upon prices. This effect has been accentuated where commodities are largely exported, and price levels are determined by world markets.

Prices for processed and manufactured goods on the other hand, the production of which involves larger amounts of labor and capital, have been more extensively influenced by the returns necessary to these factors of production. Wages have, of late, stubbornly resisted reductions, while the fact that manufactured goods are very often sold in sheltered markets, much less sensitive than those of an international nature has added further inertia to price movements.

Current Trends Outlined

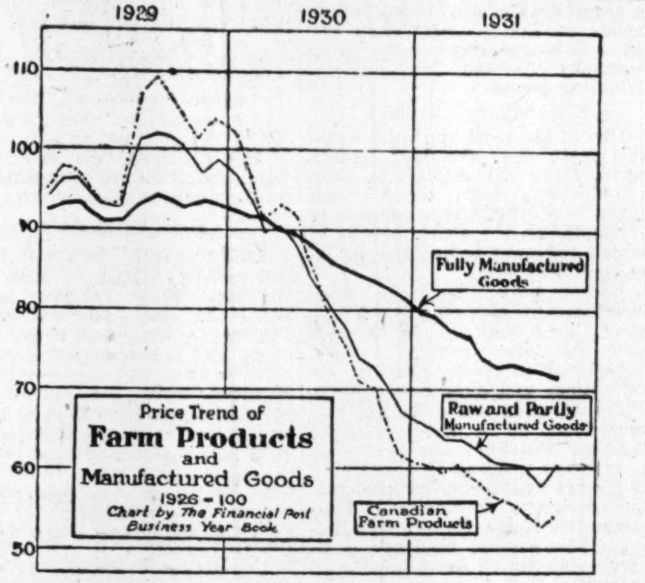
Such a prolonged period of falling prices has very naturally caused much attention to be directed to the questions of how long the decline is to run and how industry and trade are to be re-established upon a normal basis. Both questions have been answered wrongly so often, that few can be found still willing to make fresh forecasts. An examination of current trends and tendencies unaccompanied by prediction is possibly the most useful treatment that can be given.

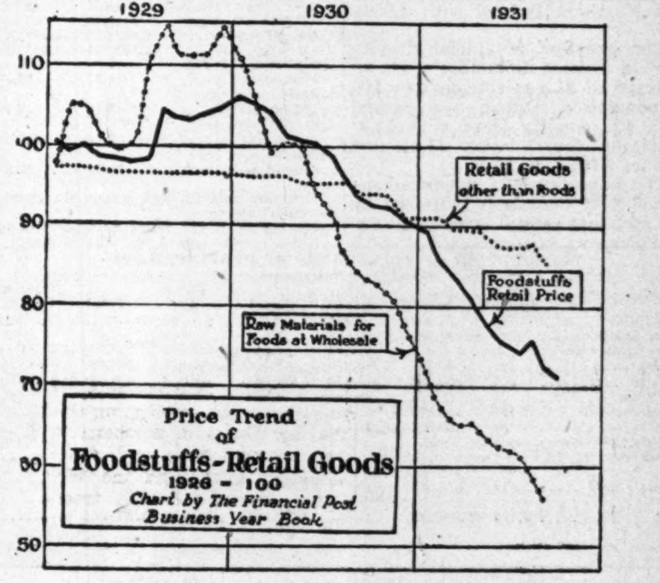
The Canadian wholesale price index between August, 1929, and October, 1931, declined without interruption for twenty-six months, by roughly 29 per cent. This is seven months longer than the recession of 1920-21, although the decline recorded then was about one-third greater. There is, of course, no special significance in the time involved, but it is perhaps worthy of note that no unbroken recession of such proportions has been recorded before in this country.

Of more immediate interest is the fact that the average rate of decline in 1931 has been perceptibly less than for the preceding year, and that in October and November, 1931, the wholesale index for Canada advanced slightly following a three months period when its total fall amounted to only 2.2 points. This assuredly cannot be accepted as definite proof that the recession has ended, but in view of the even movement which it followed, there seems good reason to believe that at least a period of more stable prices is being approached.

It must be remembered, however, that at present, price levels of various commodity groups are still out of line with one another. Raw product prices are generally considered to be relatively low when compared with manufactured goods. This means that before the stability referred to above can become an accomplished fact, raw product prices are likely to advance somewhat, or that manufactured goods will decline further.

Probably movements in both directions will occur. Many raw product prices such as rubber, tin and copper are now close to the lowest level in history, while others such as those for wheat, cotton, etc., are at levels which, upon the first signs of trade revival, should make these commodities very attractive to buyers. It is usual, on the other hand, for prices of finished goods to respond less readily to price movements as has been already noted. They may, therefore, still show some general reductions.





NEW RECORD MADE BY ALBERTA COWS

Milk and Butter Production Higher Though Values Decline

Preliminary estimates of dairy production in Alberta for 1931 indicate an increase in total milk production of 15 per cent and an increase of 28 per cent in creamery butter production.

The 1931 butter production figure totalled 22,650,000 pounds as compared with the previous high record of 22,300,000 lb. reached in 1925, 1924. Total cheese production is estimated at 1,000,000 lbs. There were 92 creameries in operation and 8 cheese factories during 1931.

Due to the drop in prices, however, the total value of the products is lower than that of last year. This year the total for all dairy products on Alberta farms is estimated to be $15,750,000, of which $4,530,000 is for creamery butter, $115,000 for cheese, and the balance of $11,105,000 for other dairy products, including milk, dairy butter, ice cream, etc. Last year the total value was finally placed at $18,675,500. The average price for creamery butter for the year just past was estimated at 20 cents, in comparison with 28.04 cents last year.

The returns of the cream grading service for eleven months of the past year, showed that the percentage of special grade cream was 45 per cent compared with 41 per cent last year, thus revealing a substantial increase in the quality of the product.

Income Tax Office Lost to Brandon

The closing of the federal income taxation office at Brandon, Manitoba, has been announced as at December 31. Col. F. J. Clark, in charge of the Brandon office has been transferred to Winnipeg.

Steps have been taken to urge that the Brandon office serve a wider territory, but present plans indicate the definite elimination of this office from the income tax returns department.

BIG IMPETUS GIVEN INDUSTRY IN BRANTFORD

Many Important Concerns Locate in City in Recent Weeks

From Our Own Correspondent

BRANTFORD.—Industrial activity in Brantford has received its greatest impetus in many years by announcement within the past few weeks that some half dozen new and important industrial lines have been obtained for the city necessitating the opening of old plants that have been temporarily out of use and also the expansion of existing plants. Several hundred men will be employed almost immediately by these new industries and many thousands of dollars spent for new equipment, machinery and so forth.

Three entirely new industrial plants alone will employ approximately 200 men and add $300,000 annually to the city's industrial wage bill, it is estimated. These are as follows:

Colade Ontario, Ltd., manufacturers of bitumen products and representatives of the British firm of Dussek Bitumen Co. of London. This firm has been established for over 50 years.

Sterling Action & Keys, Ltd.—Toronto manufacturers of piano action and keys, radio cabinets and allied lines which will take over the Huron Cordage Plant on February 1 and give employment to approximately 100 hands.

Universal Cooler Co.—manufacturers of refrigeration units and other cooling, ventilating and heating devices which has taken a ten-year lease on the Brantford Specialty plant at West Brantford and is expected to employ about 65 men during January.

Credit for securing these industries goes largely to the Brantford Industrial Commission of which F. Grobb is manager and E. Sterne, president.

Another important announcement made last week was to the effect that Canada Carriage & Body Co., an affiliate of Cockshutt Plow Co., has completed arrangements for the opening of a plant for the manufacture of lines made by the Anthony Co. Inc. of Streator, Illinois, manufacturers of the Anthony pipeless hydraulic hoist and dump truck. Heretofore these lines have been imported from the United States and distributed in Canada by Canada Carriage and Body Co., of which Robert Jex is general manager. In a statement made to the Brantford Expositor last week, Mr. Jex said:

"Our importation of dump bodies will now cease and henceforth we will manufacture our dump body line in our plant here. We have enlarged our factory accommodation, purchased the most modern machinery and provided every facility for successful manufacture. We hope to be operating the new industry before the end of January."

Still another move which means additional employment for Brantford is the moving of the majority of lines formerly manufactured by the Bain wagon division of Massey-Harris Co., at Woodstock, to Brantford. These lines have been distributed between the Market Street plant of Massey-Harris at Brantford, and Verity Plow plant in the city and will give further diversity to the lines handled already from the Massey shops. Massey-Harris Brantford plant started giving employment to workers in the primary departments about a month ago and is gradually adding more men to its payroll, the woodworking division now getting under way in production for the 1932 schedule.

Across the street from Massey-Harris, the Waterous Engine Works has also added a new line which is considered an important addition to its diversified list of products, namely the Ross snow plow, an article formerly manufactured in the United States and now to be made in Brantford. Another new industry is seen in formation of National Silicates, Ltd., with a capital of $40,000 which will be the Canadian subsidiary of the Philadelphia Quartz Co. and will be associated with the Sterne Chemical plant.

Other new industries added during 1931 include a Canadian subsidiary of the Kester Solder Co., one of the leading manufacturers of this product in the United States

Wholesale Price Index Lower for December

Index of wholesale prices in the Dominion showed a further slight reduction in December, according to the index number compiled by the Dominion Bureau of Statistics which fell off from 70.6 to 70.4 (1926 representing 100).

Vegetable products dropped from 57.5 to 55.6, losses on wheat, oats, rye, barley, flax and flour more than offsetting gains in bran, hay and potatoes. Animals and their products fell from 67.3 to 66.5, hides, hogs, lambs, cured meats and eggs largely influencing the index. Groups in which increased prices occurred were fibres and textiles, wood and paper.

NEW TAXES PLANNED BY SASKATCHEWAN

Ten Per Cent Succession Duty Surcharge Now Mooted

A temporary surcharge of 10 per cent in addition to the regular succession duties levied by Saskatchewan, as one means of increasing provincial revenue this year is said to be under consideration by the Saskatchewan Government. Such action, it is thought, would be of a temporary nature only, but whether it would affect all estates, or merely those in the higher valuation classes is not known.

Estimates as to the additional revenue that would be produced by such a move are hard to make, but as approximately $463,000 was received by the provincial treasury from succession duties in 1929-1930, an all round increase of 10 per cent would mean an added revenue of some $50,000.

The whole question of increased taxation in this province has been a matter of considerable conjecture ever since it was announced in the middle of December that a caucus of government supporters had approved a plan to reduce the refund to farmers of the gasoline tax, to double the corporation tax, and to intsitute a provincial income tax.

To date the only action actually taken by the government has been to pass an order-in-council increasing the fee for motor vehicle licenses by $5.00 for 1932.

Retail Sales, November, Showed Seasonal Drop

Index numbers of retail sales for November, 1931, show increased sales for three and decreases for eight groups as compared with the previous month. The combined index for all groups decreased from 111.3 to 108.0—January, 1929, being the 100 base—this drop being mainly seasonal.

The index is based on returns from 83 chains, comprising about 2,700 stores, and 25 departmental stores. No correction has been made for seasonal influences or price changes. Corresponding indexes for October and November, 1930, were 122.9 and 115.1.

Drugs, furniture, music and radio were the only groups to advance. Among the others clothing fell from 119.3 to 102.7; dyers and cleaners from 133.9 to 110.1; hardware from 117.7 to 100.6, and restaurants from 80.4 to 69.5, groceries and meats, candy, and boots and shoes recording lesser declines.

Valuable Price Report Issued from Ottawa

Summaries of Canadian price movements at wholesale and retail for 1930, and accompanying tables of prices and index numbers covering the period from 1913 to 1930, the annual report compiled by the Dominion Bureau of Statistics on Prices and Price Indexes, 1913-1930, is now available for distribution. Annual indexes of wholesale prices are included which extend back to 1867.

Another section of the report gives a complete outline of Canadian security price movements from 1914 to 1930. Among the data given are investors' and traders' index numbers of common stocks, mining stock indexes, and average monthly prices of thirty-five leading common stocks traded on the Montreal and Toronto exchanges between 1927 and May, 1931.

Further sections are devoted to Canadian costs of services, indexes of Canadian import and export values, and a review of economic conditions and index numbers of prices in other parts of the world.

Beekeepers Active in Saskatchewan

Returns for 1931, as given by R. M. Pugh, provincial apiarist, based on 1,466 beekeepers, show that Saskatchewan had 7,316 colonies of bees which gathered an average of 83.3 pounds of honey per hive, or a total of 609,480 pounds of honey for the province. Many beekeepers in this territory report a crop of 100 pounds or more of honey per hive, all of which was secured during the month of August.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car Loadings (Jan. 2)	†	†	......	......
C.P.R. gross earn. (Jan. 7)	$2,004,000	$2,467,000	......	......
C.N.R. gross earn. (Jan. 7)	$2,381,077	$2,775,684	......	......
	Monthly 1931	Monthly 1930	1931	1930
C.P.R. net earn. Nov.	$4,774,625	$4,985,754	$24,087,291	$34,483,960
C.N.R. net earn. Nov.	$2,084,481	$2,074,415	$7,491,999	$25,778,062
Iron and Steel—				
Pig Iron, tons (Nov.)	14,292	46,360	406,176	709,155
Steel, tons (Nov.)	28,337	71,740	650,118	955,642
Automobiles prod. No. (Nov.)	1,247	5,407	80,182	148,570
" exports, No. (Nov.)	480	2,663	14,236	41,653
Construction—				
Building Permits (Nov.)	$7,992,815	$11,791,478	$103,604,484	$150,909,230
Contracts (December)	$11,257,300	$24,542,300	$315,482,000	$456,999,600
Newsprint—				
Production, tons (Nov.)	175,643	201,703	2,033,121	2,319,391
Exports, tons (Nov.)	171,151	173,149	1,846,408	2,105,516
Sugar—				
Imports, raw, lbs. (Nov.)	70,656,900	62,352,200	752,021,400	769,699,400
Manufactured, lbs.*	129,419,989	108,558,920	920,519,572	876,818,072
Flour—				
Production, bbls. (Oct.)	1,693,925	1,868,575	12,510,606	13,679,945
Wheat, bbls. (Nov.)	476,487	792,271	5,245,914	9,328,660
Other Industrial Indices—				
Lumbering: Plank & board exports mill. bd. ft. (Nov.)	68.18	104.10	881.16	1,394.64
Boots & Shoes pr. (Nov.)	1,254,696	1,124,798	16,544,082	16,023,190
Petroleum, crude, gal., (Nov.)	93,140,000	74,970,000	955,549,333	942,393,131
Cotton, imp., raw, lbs. (Nov.)	15,451,000	15,786,000	83,373,602	88,140,000
Rubber, raw, imp., lbs. (Nov.)	2,761,273	4,766,980	51,089,470	61,475,499
Coal, imports, tons (Nov.)	1,414,082	1,571,487	12,506,644	16,396,942
Trade—				
Imports (November)	$46,911,012	$76,325,063	$587,843,781	$948,354,844
Exports (November)	$57,486,950	$73,060,871	$552,175,442	$819,086,698
Wheat exports, bus. (Nov.)	27,452,063	31,217,624	172,508,738	185,530,670
Labor—				
Employment Index (Dec.)	99.1	108.5	....	....
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,387,317	1,515,408	14,920,336	16,261,264
Finance—				
Failures, No. (Oct.)	226	216	1,807	1,941
Failures, Liabilities (Oct.)	$12,378,396	$4,017,101	$45,260,019	$40,565,515
Bank Debits (Nov.)	$2,841,832,827	$2,973,627,955	$28,948,845,698	$34,479,077,931
Bond Sales (Dec.)	$815,760	$45,941,154	$1,243,738,939	$763,022,807
Insurance Sales (Nov.)	$38,860,000	$46,868,000	$442,149,000	$518,182,000
Automobile Financing:				
Used Cars (Nov.)	$1,153,811	$2,221,134	$20,049,357	$32,025,659
New Cars (Nov.)	$976,658	$816,948	$20,041,063	$27,997,753

*Four weeks' period Jan. 14 to Dec. 5.
†No data available pending adjustment of weekly record.

Business Briefs

Value of fish landed in Canada during November totalled $875,000 a drop of $169,000 from November, 1930. Total landings were heavier by 98,600 cwts. due to the B. C. catch which totalled 532,700 cwt. as compared with 387,280 a year ago. Herrings were largely responsible for the heavier B. C. total although salmon catch was also larger. The Maritime catch for the month was smaller due to a decline in Nova Scotia landings. Total catch in the first 11 months of 1931 reached 8,313,500 cwts.

Emigration from Canada to the United States dropped 57.2 per cent to 631 during November, according to records of the Immigration Bureau, U. S. Department of Labor. Decrease of all emigrants in the same period was 68.5 per cent as compared to a year ago while for the first 5 months of the U. S. fiscal year the decline has been 83.6 per cent, only 1 alien having been admitted for every 6 entering that country a year ago.

Car Loadings for week ending January 2 totalled 30,721 cars. Gains over previous week are noted in livestock, coal, coke, pulpwood and paper, ore and miscellaneous.

Wheat stocks in Canadian and United States elevators at January 1 were 192,305,958 bus. against 190,784,642 bus. the week before. Shipments from Canadian seaboard ports totalled 3,264,491 bus. against 2,131,367 bus. same week last year, movement via Vancouver showing continued increase at 2,845,513 bus. Final five weeks' shipments were 14,818,400 bus. compared with 17,579,503 bus. last year, due almost entirely to reduced exports via United States ports.

Butter exports from Canada during November dropped from the October figure of 18,352 lbs. to 6,757 lbs. Value compared $161,604 as against $372,700. Total for 12 months to Nov. 30 was 104,872 lbs. and value $2,297,879 compared with 11,670 lbs. and $412,531 for preceding 12 months.

Soo Assessment Shows Increase

The town assessment of Sault Ste. Marie has increased more than a million dollars during the past year. The taxes for all purposes in 1932 will be levied on an assessment of $20,154,272, as compared with $19,018,083 for 1931.

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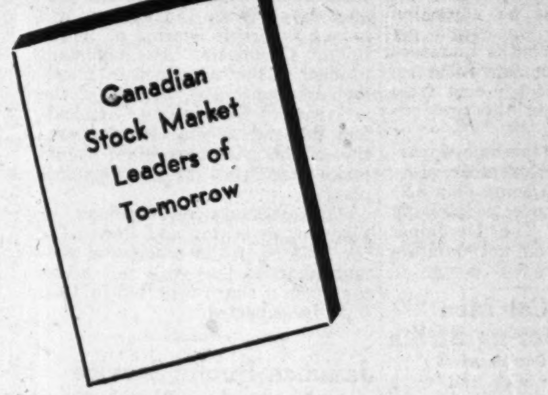

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Utilities and Transportation

HYDRO SECURITIES PLAN APPROVED BY SHAREHOLDERS

Investment Depreciation Will be Offset by Cut in Capital

From Our Own Correspondent

MONTREAL.—Shareholders of Hydro-Electric Securities Corp. have approved a plan whereby the company's structure will be generally overhauled. Common stock capital, as carried in the balance will be reduced by $26,808,895 and class "B" preferred shares to the extent of $9,938,000 will be cancelled leaving $10,062,000 outstanding.

The reduction in the common share capital, which stood at $34,190,860 at the end of 1930, has been undertaken owing to the wide depreciation in the value of investments held by the corporation. The greater part of the shrinkage is stated to have occurred in recent months.

Cancel Certain Liabilities

The other capital change has been effected by the non-issuing of class "B" 5 per cent preferred stock surrendered for cancellation by International Holdings and Investment Co. and the Societe Anonyme de Placement and the cancellation of the liabilities of these companies to Hydro-Electric Securities Corp.

Though the capital has been cut directors state that an investment reserve of $8,598,828, representing profits from realization of securities will not be affected nor the reserve in the earned surplus account of $1,466,795 representing undistributed ordinary income.

No dividend will be distributed for the final quarter of 1931 though it is officially stated that ordinary income for this period would have been sufficient to allow a distribution of 25 cents a share for the quarter. The last dividend paid on the common was 30 cents a share disbursed in September. In the previous two quarters the distribution had been 35 cents a share.

Investments Shrink Sharply

The change in capitalization will tend to strengthen, relatively, the equity of the preferred shares while preferred dividend needs will be reduced by $497,000 annually to $503,100.

Investments of Hydro-Electric Securities at cost at the end of 1930 totalled $54,148,100. That these have shrunk drastically is indicated by the necessity of writing down capital by nearly $27,000,000.

C. P. R. Traffic Receipts Down 20.9% for 1931

From Our Own Correspondent

MONTREAL.—Traffic receipts of Canadian Pacific Railway in 1931 were $144,414,000 compared with $182,561,000 in the previous year's decline of $38,147,000 or 20.9 per cent. As yet, figures on net earnings are not available; net for the 11 months ended November 30 was $24,087,291, a drop of 30.15 per cent from the figures for the same period in 1930.

Traffic receipts in December, 1931, were 20.6 per cent below those of the same month in the previous year. Monthly comparisons with 1930 in gross earnings grew steadily worse from April. In that month the decline as compared with April, 1930, was 16.05 per cent; succeeding months increased this spread until in September receipts fell off 37.74 per cent from the same month in the previous year.

An improvement became apparent in October and November, gross in the latter month being only 8.95 per cent below the corresponding period in 1930. The December showing, however, did not maintain this improvement.

'Peg Electric Car Men Vote Favoring Strike

From Our Own Correspondent

MONTREAL.—Car men and track workers of the Winnipeg Electric Co. have voted in favor of a strike in protest against the 10 per cent reduction in wages proposed by the company. No announcement has been made as to when the men will leave work. Representatives of the Federal Labor Department are seeking to avert a walk-out.

The decision of the workers culminates a dispute which has been under way for some time regarding a proposed cut in wages. A board of conciliation under the Industrial Disputes Investigation Act was set up and after hearing both sides of the case the majority reported the proposed cut justified. The men's representative on the board brought in a minority report for maintenance of the present wage scale.

Earnings of Winnipeg Electric Co. have shown heavy declines this year, due in part, to losses sustained on tramway operations. Dividends on the preferred and common stocks have been suspended and the company is paying bond interest, due on January 1, in Canadian currency only.

Maritime Telephone Toll Traffic Holds Up Well

From Our Own Correspondent

MONTREAL. — Total volume of completed toll traffic of the Maritime Telegraph and Telephone Co. in November was 126,456 calls, or 5,852 calls less than in the corresponding month of 1930. The gross number of calls during November last was 134,451, there being 7,995 uncompleted calls, making an average of 94.2 per cent. This made an average of completed out calls per day of 4,516.

The average percentage of completed toll tickets for Class "A" exchanges during November was 92.9 per cent and for Class "B" exchanges, 96.2 per cent.

Quebec, Saguenay Makes Call on Shareholders

From Our Own Correspondent

MONTREAL. — Directors of the Quebec, Saguenay and Chibougamau Railway Co. have made a call upon all holders of the preferred shares of the capital stock of the company, of 20 per cent, or $20 a share, in respect of stock held by them. The call is payable on February 1, 1932.

Canada Has Big Stake In Telephone Industry

Investment at End of 1930 Totalled Nearly $320,000,000—Phones in Dominion Advanced to 1,402,861 Though Year's Increase Smallest Since 1915

Telephone conversations recorded during 1930 in Canada numbered 2,626,752,502 according to the annual telephone statistics published recently by the Dominion Bureau of Statistics. The increase represented of 3.2 per cent, compares with a 10 per cent gain in 1929. The average conversations of 250.5 per capita and of 1,872 per telephone are higher in Canada than any other country, the United States with 231 calls and New Zealand with 212 being the only others with over 150 per capita. There was a decrease of about 350,000 in the number of long distance calls at 37,496,867.

The number of telephones in use in Canada at December 31, 1930, was 1,402,861, or 20,039 more than the year before, this increase having been the smallest recorded in any years since 1915. The prairie provinces were almost entirely responsible for this, decreases being recorded, for the first time since 1914, in Saskatchewan, Alberta, and Manitoba of 6.4 per cent, 2.3 per cent, and 1.3 per cent respectively. Eastern provinces all showed slight gains.

High Per Capita Ratio

The average number of telephones per capita of .1411, however, was still greater than in any country except the United States, which in 1929 had an average of .164, and the total number of telephones was exceeded only by the United States with 20,068,023 (in 1929), Germany with 3,182,305 and Great Britain and Northern Ireland with 1,886,726.

The greatest provincial density was in British Columbia with an average of 21.6 telephones per 100 of population. Ontario was second with 19; Alberta third with 11.9; Manitoba fourth with 11.6; and Quebec fifth with 11.1.

The importance of the telephone industry in Canada is indicated by the fact that capital investment exceeds $319,000,000, an increase during the year of over $27,500,000, while the total income amounted to $69,420,459 (including $16,500,657 from long distance calls), this being 6 per cent above the previous year's income. Expenditures totalled $61,886,340, including $51,848,471 for operating expenses, $2,257,636 for taxes and $7,614,105 for interest and payments on debentures, loans and so forth.

Various Systems

In considering the total income and expenditures of operations it should be remembered that practically all the co-operative systems which numbered 1,537, with 63,247 telephones, are operated at cost for the benefit of members. The provincial and municipal systems with 239,480 telephones are also on a different basis from the stock companies and the financial data for the systems as a whole are affected accordingly.

The following tables give the leading statistics of the telephone business in Canada for 1930 and 1929, and show the distribution of 'phones by provinces:

Summary of Telephone Statistics of Canada Years Ended Dec. 31

	1930	1929
Capital stock	$102,777,267	$93,737,979
Funded debt	155,411,716	141,205,328
Total capital	258,188,983	234,943,307
Cost of prop. and equip.	319,101,191	291,589,148
Income	69,420,459	65,240,610
Expenditures	61,886,340	56,559,517
Net income	7,534,119	8,681,093
Salaries & wages*	32,085,948	31,672,277
No. of employees	26,575	27,459
No. of 'phone systems	2,414	2,415
Pole line mileage†	222,113	220,525
Wire mileage	4,880,224	4,486,213
Telephones, No.	1,402,861	1,382,822
Telephones per 100 population	14.12	14.12
Miles of wire per 100 population	49.12	45.79
Miles of wire per telephone	3.48	3.24
Miles of wire per mile of pole line†	21.97	20.34

*Includes salaries and wages chargeable to capital accounts.

†Including 11,214 miles of underground conduits in 1930 and 10,782 miles in 1929.

DISTRIBUTION OF TELEPHONES BY PROVINCES—1930

		Number of Telephones					
	No. of Systems	Business	Residence	Rural	Public Pay	Total	Change in Year
P. E. Island	59	1,054	1,555	3,077	67	5,753	+ *594
Nova Scotia	247	11,328	22,789	11,379	975	46,471	+ 1,896
New Brunswick	30	8,676	17,395	8,271	593	34,935	+ 1,025
Quebec	188	92,341	175,219	29,596	7,536	304,692	+11,339
Ontario	596	156,733	342,028	121,001	11,026	630,788	+11,208
Manitoba	30	22,226	39,259	14,738	2,034	78,257	— 1,022
Saskatchewan	1,198	18,660	21,403	53,670	463	94,196	—*6,501
Alberta	53	23,012	34,762	19,817	834	78,425	— 1,848
British Columbia	12	39,357	85,525	3,112	1,215	129,209	+ 3,348
Yukon	1	......	115	20	......	130	......
Total, 1930	2,414	373,387	740,050	264,681	24,743	1,402,861	+20,039
1929	2,415	366,418	724,001	*269,487	22,916	*1,382,822	......

*Data for 1929 revised.

Better Outlook For Chemicals Of Shawinigan

MONTREAL. — Prospects for Shawinigan Chemicals, subsidiary of Shawinigan Water and Power Co. are better now than they were at this time last year according to H. S. Reid, vice-president of the chemical company. Though a two-week shutdown had been planned at the end of the year increased orders nullified this necessity and only a short closure over the week-end period was made.

Operations of the new cellophane plant of Canadian Industries, which is expected to come into production early in the spring, will have a favorable bearing on Shawinigan Chemicals. An important product in the manufacture of cellophane is provided by one of the activities of Shawinigan Chemicals and demand arising from operation of the cellophane plant should make itself felt in the chemical plants.

Any estimate of earnings of Shawinigan Water and Power Co. for 1931 as yet is considered premature; that they will fall below the $2.65 a share reported in 1930 is to be expected.

Jamaica Public Service November Net Lower

From Our Own Correspondent

MONTREAL. — Gross earnings of Jamaica Public Service Ltd. in November, 1931, were $67,322 compared with $68,541 in the same month in 1930. Net operating revenue was lower by $3,000 at $26,667. In the twelve months ended November 30, 1931, net revenue was higher by $6,000 at $339,179, though surplus after charges was lower by $11,000 at $230,224.

The figures, however, are computed at the rate of $4.86 2/3 to the pound sterling. Dividends on the common stock of Jamaica Public Service Ltd. are payable in Canadian funds, while interest on the 5 per cent bonds of Jamaica Public Service Co., the operating company and dividends on $750,000 of 7 per cent preferred stock is also payable in Canadian funds.

It is understood that the depreciation in the value of the pound, with its subsequent effects on payment in Canadian funds, has been offset to some extent by the purchase of a substantial sum of American funds previous to Great Britain's lapse from the gold standard.

Quebec Seeks Change in Civic Utility Powers

From Our Own Correspondent

MONTREAL.—Amendment of the powers of the City of Quebec as to the municipalization of light and motive power will be sought by the city at the present session of the provincial legislature, a factor which may have a bearing on the situation surrounding Quebec Power Co.

At present Quebec Power Co. supplies the city and environs with electric energy and tramway service. During the past year there was some dispute regarding the rates charged for electricity and on July 1, 1931, rates were voluntarily reduced by the utility company; to what extent was not divulged.

In December, Quebec Power also made application to the legislature to determine its powers in respect to the acquisition of property and rights; giving the company certain rights in the City of Quebec and in the counties where it is operating or is authorized to operate; and giving it the right to acquire properties by expropriation and for other purposes.

Longueuil Will Vote on Tramways By-law

From Our Own Correspondent

MONTREAL.—A by-law to allow Montreal Tramways Co. to operate a permanent transportation service between Montreal and Longueuil, via the Harbor bridge, will be voted on by citizens of that town on January 25. By the terms of the by-law, Longueuil will give Montreal Tramways exclusive rights to construct and operate, for a period of 22 years, a transportation system in the city and between the city and Montreal.

The city agrees, in so far as its character and amendments allow it, to prevent, within the limits of the city, all forms of transportation competition. This clause of the by-law, however, exempts the present line of the C. N. R. between Montreal and Sorel.

British Columbia Power Earnings Record Decrease

From Our Own Correspondent

MONTREAL.—Both gross and net earnings of British Columbia Power Corp. during October last showed a tendency to fall behind those reported for the same period of 1930. Consolidated income for October last totalled $1,149,494, a decline of $99,336 from the same month in 1930. Operating expenses showed a reduction of $48,462, but net earnings were $415,898 as against $466,772 in October, 1930. After taking care of bond and debenture interest and preferred dividends, there remained a balance available for dividends on the common stock of $207,634 or $48,089 less than in 1930.

For the four months ended October 31, 1931, gross income totalled $4,511,779 and after taking care of all prior charges, there remained a balance for dividends on common stock of $614,370. In the same period of 1930 gross income was $4,846,038 and the balance for dividends $865,144.

B. C. Electric Starts Work on Gas Plant

From Our Own Correspondent

MONTREAL. — British Columbia Electric, subsidiary of B. C. Power Corp., has commenced work on the construction of a new gas plant at Vancouver, which will involve an outlay of $850,000 to complete.

At present the company operates two gas plants, one at Vancouver and one at Victoria. The total daily generating capacity is 9,100,000 cubic feet. The new plant at Vancouver will have a daily capacity of about 3,000,000 cubic feet.

Trade of Toronto Harbor Rose 63 p.c. During 1931

Water-borne trade of Toronto harbor increased over 63 per cent during the season closing December 17, 1931, attaining a volume of 2,115,830 short tons. The increase of 822,966 tons compared with the previous year's increase of 333,630 tons, which was equivalent to slightly under 35 per cent over the 1929 figure.

The main items handled in 1931 were oils, 652,977 tons; coal, 564,341 tons; merchandise, 294,332 tons; sand, 260,910 tons; grain, 246,525 tons, and cement, 77,259 tons. Sundry items amounted to 19,486 tons. All showed big increases over 1930 handlings, coal being up nearly 150 per cent and grain 99 per cent.

Saskatoon Population Increases

The population of Saskatoon has increased 67.8 per cent since 1921, and 38.3 per cent since 1926, according to the Western Canada News Bulletin.

Public Utility Earnings

Jamaica Public Service

November:	1931	1930
Gross earnings	$ 67,322	$ 68,541
Net earnings	26,667	29,818
Surplus after charges	17,614	20,414
12 Mos. End. Nov. 30:		
Gross earnings	$832,301	$827,263
Net earnings	339,179	333,804
Surplus after charges	230,224	241,267

New York Auto Show Puts End to Guessing Regarding 1932 Cars

Many New Features Make a First Appearance

TREND SURVEYED

Most Manufacturers Now Adding Free-Wheel and Silent-Mesh as Standard

While automobile sales in Canada have so far shown no perceptible quickening of pace in the new year than was recorded during the past two months, most plants have shown increased activity in the preparation for 1932 production. Public interest which has been smouldering of late, sprung into flame again with the opening of the New York Motor Show last week.

As usual, the show proved to be the medium for the introduction of most 1932 models, and advance reports from New York would indicate a substantially increased activity in the industry during the early months of the present year at any rate. Canadian interest now centres around the Montreal Show which opens on January 23.

Probably the most outstanding feature of the 1932 models so far announced is the general adoption by cars in the lower price fields of the latest mechanical improvements such as free-wheeling, in one or other of its various forms, silent gear shift mechanism and further elimination of engine vibration, while in the higher price ranges there is a noticeable leaning toward some form of ride control, automatic clutches, ignition-key starters, and a wider use of such refinements as shatter-proof glass and what is becoming generally known—thanks to the Plymouth—as "floating power."

Streamlining Advances

One of the most quickly discernible features of the 1932 models, apart from such matters as color combinations and interior equipment, is a still further advance in streamlining, the visible effects of which are lower bodies and apparent greater length.

Recent tunnel tests on stock model cars made in comparison with streamlined bodies have revealed that the latter have a marked superiority in coasting ability, acceleration, and fuel consumption, while vibration and noise has also been found to be greatly reduced thereby. Since extreme streamline is not very pleasing in appearance to the eye used to conventional outline, designers are having to keep streamline ideas within certain limits. The general tendency is to carry a sweeping curve downward from the roof, this tending to do away with the formation behind the car of air eddies which have a retarding effect almost as great as the pressure of a head wind on the windshield. Front pressure is reduced by inclining the windshield and, in some cases, by removing the sun visor from the outside and replacing it with hand-adjustable shades inside.

Another point which is noticed on several makes of cars is the splaying of springs, both in front and behind, with a view to reducing side sway and to give greater stability. To this end, also, frames are more sturdy and X-braces are being used to a greater degree this year, while insulation against heat, cold vibration and noise has shown still further progress.

Bendix Corp. is responsible for two of the most popular departures incorporated in current models, namely the automatic clutch and the "Startix" automatic starter. The automatic clutch appeared first in Canada in the McLaughlin-Buick new models, announced in December. By means of this device the clutch becomes automatically disengaged whenever the pressure on the accelerator is released, while with renewed pressure the clutch again becomes engaged. Thus, in gear changing the left foot need not be moved, while, when under way, the free-wheeling feature is obtained. By means of the "Startix" the engine is started with the turning of the ignition switch-key, and one of the outstanding advantages of this device is that, should the engine stall it is automatically started again at once.

Dual Ratio Axle

Another radical departure is introduced by Auburn on their new 160 h.p. twelve cylinder model. This is the "Dual Ratio" axle, which produces a high and a low axle ratio. The lower ratio is used for starting away and the lower range of speed, while, for touring purposes, at speeds from 20 to 60 m.p.h. by turning the lever on the instrument panel the car will continue at the same speed while the engine drops down to one-third of its former speed, resulting in the elimination of engine roar and considerable fuel saving.

A preliminary synopsis of some of the outstanding features of the 1932 models disclosed by the New York show, some of which have already been announced in Canada is appended. This does not pretend to be a complete list, being limited in any case to those models in which Canadians are particularly interested. Ford plans are still a mystery, though reliable information has it that several surprises are in store for both trade and public alike. It is known that the Ford plans were rather suddenly changed, and that orders already placed for raw material were suspended temporarily. It is fairly common gossip that a new alternative V-8 engine is contemplated, and changes in chassis design were necessitated for its incorporation.

Auburn 8 — Free-wheeling and silent mesh transmission as last year; 'Startix' automatic starter added; larger and heavier steering mechanism, with kick-absorber shackle on front spring; adjustable shock absorbers; more solid body construction.

Auburn 12—New model. Wheelbase 133 inches; twist-proof X-frame; free-wheeling; silent mesh; adjustable shock absorbers; Startix; Bijur automatic lubrication; hydraulic brakes; Dual ratio axle (described above).

Chevrolet—Free-wheeling; synchro-mesh; 60 h.p. engine (increased 20 per cent); ovoid radiator; down-draft carburetion; rubber engine mountings, harmonic balancer; stabilized front-end construction; new bodies.

Chrysler—Floating power; automatic clutch and free-wheeling; silent gear selector; hydraulic brakes; double-drop girder-truss frame; 'Oilite' squeak-proof springs; Eights' have 4-speed transmission with internal dual high gears.

De Soto—Floating power; automatic clutch and free-wheeling; silent gear selector; hydraulic brakes; domed and convexed radiator.

Dodge—Floating power; automatic clutch and free-wheeling; silent gear selector; closed models wired for radio.

Essex—Silent second speed; Startix; ride control; free-wheeling; synchro mesh; oil cushioned clutch; anti-flood choke; new high compression six-cylinder engine.

Graham—New 'banjo' frame, rear axle extending through instead of under the side rails; 123-inch wheelbase; outboard springs; hydraulic brakes; free-wheeling; synchro mesh; dash regulated shock absorbers; oil temperature control.

Hudson — Silent second speed; Startix; ride control; free-wheeling; synchro mesh; oil-cushioned clutch; anti-flood choke; three wheelbases.

Hupmobile — Longer wheelbase; free-wheeling, synchro mesh; automatically controlled shock absorbers; controlled oil temperature; V-front radiator.

Oldsmobile—Straight-eight offered in addition to the six; free-wheeling; synchro mesh; automatic choke.

Packard—New light straight-eight; vacuum clutch; free-wheeling; synchro-mesh; V-front radiator; rubber engine mountings; adjustable shock absorbers.

Pontiac—6 and new V-8; both have free-wheeling; synchro mesh; quiet second; longer wheelbase; ride control; enclosed springs; full pressure lubrication; new bodies.

McLaughlin-Buick — 'Wizard control' or automatic clutch and free-wheeling; ride regulator; synchro-mesh; oil temperature control; vacuum pump windshield wiper.

Rockne—New Studebaker model; free-wheeling; synchro-mesh; Startix; cushioned engine; hydraulic shock-absorbers; adjustable steering column.

Studebaker — Automatic starter; ride control; cushioned motor; safety plate-glass throughout.

Willys-Overland — 6 and 8; free-wheeling; safety glass; double-acting shock eliminators; double-drop frame; smaller wheels and larger tires; larger brakes.

Willys-Knight 8—Standard and de luxe models; free-wheeling; safety glass; larger brakes; 18 in. wheels; larger tires.

I. B. A. Delegation Will Meet Bennett

With Premier Bennett's recent return to Ottawa from western Canada it is expected that direct representations regarding the exchange situation will be made shortly by a delegation representing the Investment Bankers' Association. The present embargo on purchase of securities in New York will be discussed and figures will be presented showing that the effect of such business is beneficial to Canada rather than adverse.

The meeting will be the first opportunity that investment bankers have had of discussing their views directly with Mr. Bennett. It is deemed probable that the necessity will be stressed of continued payment of corporate obligations in gold where the contract calls for such payment.

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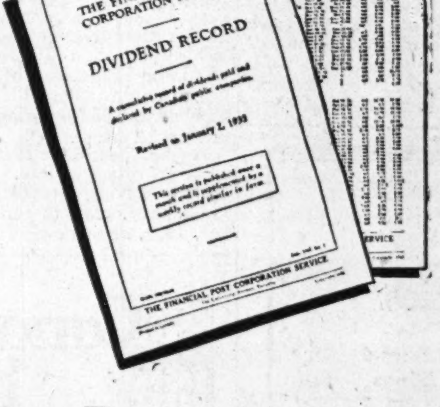
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Deflation is Good Thing For Investment Trusts

Has Eliminated Unfavorable Features and Laid Groundwork for More Useful Service, Writer Feels

During that great period of stock market speculation that swept over this continent in the years prior to October, 1929, there were two movements of such marked importance as to overshadow practically all others in the fields of investment and security speculation. There was the tendency to raise common stocks to a higher pedestal than they had before been placed upon and the tendency to provide the investor with greater diversification than the small man had ever known before, this through the sale of securities of investment trusts. The New Era has been deflated and in the minds of many people common stocks as investments and investment trusts have been punctured along with it. But just as the veneration for common stocks and investment trusts passed all reasonable boundaries the reaction also has gone too far. The job of the investor today is to discover the reasonable opportunities and the proper limitations of common stocks and to discover what's right with investment trusts as well as what was wrong with many of those that were floated in the United States and Canada.

New Book Discusses Subject

"Investments and Speculation" is the title of a new book by Lawrence Chamberlain and William W. Hay. Mr. Chamberlain is well known as a financial writer. Twenty years ago he published "Principles of Bond Investment" which has been recognized ever since as the standard textbook of the subject. He is largely responsible for the investment discussion in this new volume. Mr. Hay is less well known but he is apparently an engineer for his discussion of speculation is a mathematical study of basic principles.

It may be recalled that throughout 1928 and 1929 Mr. Chamberlain was regarded as something of a Cassandra. In a series of articles published in World's Work during those years he challenged the price levels that common stocks had reached, he challenged the theory of equity securities as prime investments, and he flayed the financial leaders of America for leading inexperienced and uninformed investors into new and very bad speculative habits. While a large part of the present volume consists of the articles that Mr. Chamberlain wrote at that time he has found space to intersperse an occasional but modest "I told you so" to strengthen his argument.

Mr. Chamberlain makes the thoroughly sound point that an investment is primarily a loan repayable at a fixed date and that in exchange for parting with his cash the investor is guaranteed a fixed rate of interest for the use of the money and the return of his money intact on a certain date. Anything that goes beyond this is a speculation, according to Mr. Chamberlain. He is not unmindful of the fact that even the investor who obtains payment of interest in the amount specified and repayment of the exact dollar amount of his loan on the date called for is likely to lose or benefit from a speculative influence beyond his control, namely the rise or the fall in the purchasing power of the dollar. He considers that the falling value of the dollar during the first three decades of this century was probably the chief factor that led the public into speculative as opposed to investment habits but he expresses the theory that the current rise in or at least stabilization of the buying power of the dollar will probably make fixed return securities, such as bonds, more attractive in the next few years than speculative securities.

When Diversity Makes Investments

Mr. Chamberlain is inclined to feel that even speculations can be made to acquire something of the character of investments when sufficient diversity has been introduced to bring into play the law of averages. This makes him a strong supporter of the investment trust when properly set up and managed. But he is exceedingly critical of the manner in which the investment trust has been handled on this continent and goes to some lengths to outline the similarity of the British experience of the 90's with the North American experience of the last few years except that he feels that the liquidation of false notions that proceeded for ten years in the British trusts has been accomplished in about a year and a half on this continent. The principles that Mr. Chamberlain sets forth for the operation of investment trusts and the distinctions he draws between investment trusts, financing trusts, speculative trusts and fixed trusts are worthy of study by every investor.

The chapters on speculation lay considerable emphasis upon changes in the underlying trend not only of prices and economic factors generally but in individual fields and individual companies and ways and means of determining these trends are outlined.

For the professional financial man or the advanced investor a study of this volume would be very valuable at the present time when the collapse of stock market prices has left much confusion in the public mind and when it is difficult to find the reasonable middle ground between excesses and over-conservatism.

"Investment and Speculation" is published by Henry Holt & Company, 1 Park Ave., New York, at $3.

Abitibi Power

What are the prospects for Abitibi Power & Paper 7 per cent preferred stock? I notice the bonds are low. Are they a buy or is there anything wrong?

Abitibi Power and Paper Company has not only passed its dividend on the 6 per cent cumulative second preferred stock, referred to in your client's list, but on the 7 per cent first preferred which comes before it. The company earned and paid its bond interest in 1931 and in 1932 it faces a condition where newsprint will sell for $4 a ton less than in 1931. Improvement in the newsprint industry must await another period of active business which generally produces more advertising and therefore larger newspapers. The company will be helped by the rising rate of exchange so long as that lasts. The annual statement for 1931 will probably show that the company has been able to reduce its bank loans somewhat.

Ontario Silknit

Can you give us any information regarding the earnings, management and prospects of Ontario Silknit Co.? I own some of the 7 per cent preferred stock.

With reference to Ontario Silknit 7 per cent preferred stock, the dividend on this was deferred from November 15 to February 15 in order that the company could conserve its cash capital. We are informed that the actual earnings of the company covered dividends, but the fact that money cannot be exported from Australia has made it difficult for the company to take advantage of all its profits. It is stated that there is about £11,000 on deposit drawing interest at the rate of 4 per cent in Australia but it cannot be brought to Canada on account of the prohibition against export of funds and also because of the discount on Australian funds, which makes it impracticable to send it out just now.

We are also informed that the company has been working at capacity night and day and that the turnover in 1931 was greater than it was in 1930. Prices, we are told, are lower, and therefore the margin of profit is smaller.

You asked about the management. The manager is H. Epstein. He has a good reputation in the business and we are informed that his father put the original capital into it. He is reported to be an exceptionally good merchandiser and to have produced good results to date.

Abitibi Power Bonds

Would you kindly give me your opinion as to the security and possible appreciation in price of Abitibi first mortgage 5 per cent bonds due 1953?

The Financial Post understands that Abitibi Power & Paper Co. earned the interest on its first mortgage five per cent bonds, due 1953, in 1931. The company was helped in the last months of the year by the fact that there was a premium on the American dollar in which it is paid for its newsprint. However, in 1932 newsprint will be sold under new contracts at $4 a ton less than in 1931. So long as the adverse exchange is as it is, the company will be able, it is believed, even at the present low level of production, to look after bond interest. Abitibi Power & Paper Co., of course, cannot step outside of the influences raining on the newsprint industry as a whole because of gross over-extension of the industry in recent years aggravated by the business depression which has reduced demand for paper materially.

Abitibi Power & Paper has been capably managed in the past and is believed to have low cost operations in the mills that are at present being operated. It is therefore in a position to meet present competition adequately.

Imperial and Pete

I hold Imperial Oil, International Petroleum and Hiram Walker-Gooderham & Worts common stocks. I bought them outright and they show me a large paper loss at present market valuations. Should I hold or sell?

Because of world over-production of crude oil the future is somewhat murky for Imperial Oil and International Petroleum but on account of their strong financial position, their powerful affiliates as well as exceedingly capable management in Canada these companies are in a better position to confront whatever difficulties still lie ahead in effective fashion. This is true of International Petroleum. Walkers is very strong financially but the international complications resulting from prohibition in the United States make it difficult to read the future. Earnings have dropped as a result of lower prices and keen competition from powerful rivals for available business.

Packers and Abitibi

I have a few shares of B. C. Packers preferred bought at the top. Do you think it would be wise to buy a few more at the very low price which there is now in order to average down? I was about doing this some time ago but the broker said, "Do you want to lose your $50?" Is the situation any different now? Somebody seems to be buying what is offered.

Would you consider Abitibi Power and Paper bonds too speculative for an investor of moderate means at the present low price?

B. C. Packers was heavily indebted to the banks on account of the large pack in 1930, the great difficulty in finding the easy market always experienced in other years at the old prices, and earnings may be limited as well by the low pack in 1931. It is believed that the company has reduced bank loans and the position of the company will improve as it is able to get its surpluses into markets of the world. You will be able to judge the company's position better when you see the statement for 1931. This might give you an inkling as to whether or not there is a chance of an early improvement in the company's position.

Abitibi Power & Paper bonds may be considered speculative to a certain extent for an investor of moderate means at the present low price. An article in the current issue of The Financial Post will inform you as to the general conditions confronting the newsprint industry, and it might be wiser for an investor of moderate means to wait until there is evidence that the turn has come.

Wineries and Wirebound Boxes

I would like your opinion as to value of my stock in Canadian Wineries, Canadian Wirebound Boxes, C. N. Electric bonds, and an undivided two thirty-sixths of one-eighth royalty interest in Lot 35, Block 13, Eckroat addition, Oklahoma city.

Canadian Wineries has just reduced its common dividend from a basis of 50 cents to 20 cents a share annually.

A price war developed last autumn in the cheap wine industry and affected earnings of the company. For a time it was thought that dividends might be dropped altogether but every effort will be made to maintain dividends at the present rate. Much will depend on the selling experience from month to month in 1932. The company has had good success in the sale of its products to the various provincial liquor commissions and has been extending the list of its products. The management is hopeful that over the long view the company will realize what has been expected from it by the shareholders.

A longer time must be given it under present auspices and probably shareholders will have to wait until general business has acquired its normal volume again for any decided improvement.

In view of the abandonment of the C. N. Electric railroad by the Canadian National Railroad, the C. N. Electric bond issue is in a very dubious condition at present. All that you can do is to sit back and hope that the Government may do something later, but hopefulness in this direction is not very strong in view of statements emanating from Ottawa.

Though your royalty interest is in an active section of Oklahoma City, The Financial Post does not pass opinions with regard to securities or assets held outside of Canada. Over-production of crude oil, low prices for crude and drastic curtailment programmes do not recommend any long distance speculating in oil royalties at present.

The fiscal year of Canadian Wirebound Boxes does not end until April 30, 1932, and we presume you hold class "A" stock on which earnings in the year ending April 30, 1931, were $1.70 while dividend payments were at the rate of $1.50 a share. Early in June the rate was reduced to 25 cents a share per quarter with the intention of restoring the dividend if business improved. Apparently there has been no improvement as yet. Working capital at the end of last year appeared to be adequate. The company has no funded debt. Efforts made to stabilize the industry have had a partial measure of success.

McColl-Frontenac

Has McColl-Frontenac Oil Co. been able to maintain its earnings last year? I hold one of the bonds and am interested to know if the company made progress recently.

No figures have been released on earnings of McColl-Frontenac Oil Co. since the close of the last fiscal year, January 31, 1931; our understanding is that sales have been maintained and indications are that profits may compare favorably with those of the previous year, when bond interest was earned 3.76 times after all charges. Competition in this industry is keen but McColl-Frontenac has been fortunate in that it is not engaged in the producing end of the business. Consequently it has obtained the benefit of low prices for crude which have prevailed during the year.

Yamaska Power

I have been trying to get some information on Yamaska Power Corp., a company which, I understand, operates in Quebec. Can you throw any light on the record of this company?

Yamaska Power Corp. was formed as a reorganization of South Shore Light, Heat & Power Corp. The latter company had outstanding $294,000 of bonds, which were exchanged, in the reorganization, for 2,940 no par value shares of Yamaska Power Corp., on the basis of one no par common share for one $100 bond. No dividends have been paid on this stock since its issuance. Yamaska Power, whose assets are valued at approximately $80,000 buys power from Southern Canada Power Company, and distributes it in St. Guillaume and neighboring villages. We are informed that earnings have been limited, and only sufficient to cover working expenses.

Canada Steamship

What is the security back of the general mortgage bonds of Canada Steamship Lines? Was interest earned in 1931 or is it possible that the company will default on this issue?

The general mortgage bonds of Canada Steamship Lines constitute a second mortgage on property already covered under the trust deed of the debenture stock, while they are also a first mortgage on certain properties acquired more recently. Though they rank below the consolidated mortgage bonds there is only $2,968,008 of the latter securities outstanding. As you know, earnings in 1930 were not sufficient to cover all interest charges, after depreciation, and it is not likely that this situation will show improvement in the forthcoming financial statement for 1931. Earnings have been affected by relatively low transportation activity on the Great Lakes, caused, in part, by the slow movement of wheat for export. An improvement, in this situation will aid earnings of Canada Steamship Lines; there has been no official intimation that interest on the general mortgage bonds will be deferred.

Kingston Elevator

Among my investments is a first mortgage bond of the Kingston Elevator Co. Can you tell me if this company experienced a satisfactory year in 1931 and am I right in supposing that the bonds are guaranteed?

Our understanding is that Kingston Elevator Co. experienced a satisfactory year in 1931. In latter months the terminal has been filled to capacity and income was sufficient to take care of operating expenses and fixed charges. What results were obtained for the full year, however, have not been disclosed. Given an improvement in the wheat situation, the company should be able to secure its share of business offering, the bonds are guaranteed by the parent organization, Canada Steamship Lines.

Can. Hydro-Electric

A client of mine has considered purchasing a block of preferred stock of Canadian Hydro-Electric Corp. Would you be good enough to outline the position of the company, its progress to date and what prospects the future holds for it, especially as regards contracts?

Latest available figures on earnings of Canadian Hydro-Electric Corp. in 1931 show increased gross revenue while net profits in each month have been sufficient to cover preferred dividends. Net revenue available for dividends in the year ended September 30, 1931, was equal to $16.15 a share on the preferred and net added to surplus in that period was 35 per cent greater than in the preceding 12 months.

As you know the company is controlled by International Hydro-Electric System which in turn is controlled by International Paper and Power Co. Owing to the difficulties which confront the newsprint industry, Canadian Hydro-Electric's relationship with the latter company is viewed in some quarters with a certain amount of misgiving though as a matter of fact the actual newsprint situation has little direct bearing on the company. This can be seen by a glance at its contracts.

At the present time subsidiaries of Canadian Hydro-Electric Corp. have an installed capacity of 679,519 horsepower while it holds long-term contracts for the ultimate delivery of 549,963 horsepower. Pending the delivery of the full amount as primary power the surplus is sold at secondary power rates for the manufacture of steam by electricity. Contracts have been made with the Hydro-Electric Commission of Ontario, Canadian International Paper Co., Ottawa Electric Co., Canada Cement Co., New Brunswick International Paper Co., Fraser Companies and others. Canadian International Paper's contract calls for the purchase of a minimum of 77,000 horsepower and for the purchase of whatever additional power is required by the company and which Gatineau Power will have available to sell it. Power is also retailed through the distribution system of Gatineau Electric Light Co. New Brunswick International Paper Co. absorbs all the output of St. John River Power Co. with the exception of 20,000 horsepower sold under contract to Fraser Companies, and a small amount distributed in the town of Dalhousie and nearby area.

Hamilton Bridge

I hold some preferred shares of Hamilton Bridge Co. and would like to get some information regarding earnings in 1931. Do you think dividends will continue to be paid? What are the prospects for the company this year?

Activities in the structural steel industry have been curtailed by the decline in constructional activity, and earnings of Hamilton Bridge Co. in the first six months of 1931, before depreciation, were about $141,000 compared with $247,606 in the same period in 1930. Officials hesitate to discuss the results of the company's fiscal year but dividends on the preferred stock, payable February 1, 1932, have been declared. Outlook for 1932 is not particularly impressive since structural steel manufacturers are largely dependent upon corporate expenditures on capital account, which, it would seem, would be restricted in the near future.

Canadian Pacific

I hold some shares of C.P.R. which I have bought at various times at higher levels than those prevailing today. Do you think the dividend will be maintained and how do you regard the stock from a long pull view?

Pending the report of the Duff Commission investigating the railroad situation, the outlook for Canadian Pacific Railway is somewhat confused. Earnings in 1931 declined sharply and, as you know, dividends were cut in half. Unless conditions improve there can be no definite assurance that the present dividend will be continued. The railroad problem is very involved, and until the Government announces its policy in connection with the findings of the Duff Commission, it is hardly possible to give an opinion regarding the future of the C. P. R. common shares.

Gatineau Power

As a reader of The Financial Post, I would be obliged if you would tell me what Gatineau Power 6 per cent debentures are quoted at. Have earnings been satisfactory this year and what is the outlook for the company?

Gatineau Power Co. 6 per cent debentures are presently quoted around 63-67. During the first three quarterly periods of 1931, increases were recorded in gross and net revenue compared with the same period in 1930, while for the 12 months ended September 30, 1931, net revenue was $7,287,354 compared with $6,534,954 in the previous 12 months. Interest on the outstanding debentures was earned more than twice over. The company recently completed installation of the seventh generator in its Paugan plant, bringing its total installed capacity in all hydro-electric plants to 599,519 h.p. A favorable feature in connection with Gatineau Power Co. is the fact that it sells the greater portion of its output on long-term contracts.

Ottawa Power

I have considered buying some shares of Ottawa Light Heat and Power Co. What were earnings in 1930 and 1931? Does competition from the municipal hydro affect Ottawa Power adversely?

Ottawa Power earned $6.60 a share on its common stock in 1930 and though figures for 1931 have not yet been published, our understanding is that they will compare favorably with those of the previous year. The company has made consistent progress in recent years, despite competition from the municipal hydro, and as yet the latter factor has not appeared to have been detrimental to operations of the privately-owned company.

Paramount

The writer is the holder of 19 common shares of Paramount Publix Corp. purchased around $55 a share. He would appreciate very much your opinion of this stock and if it would be advisable to sell at today's market.

Sale of your Paramount Publix Corporation stock at present would be in a very difficult market. If the company can meet its various commitments to pay high prices for return of its own stock, commitments made during the period when it was obtaining other companies by the process of merger through offerings of its own stock redeemable at a set price, stock prospects to the general public may be greatly enhanced. Apparently the company has been doing fairly well in view of the adverse conditions of business and if this should continue on into 1932, the position of the company should be improved. As it is one of the leaders in its line, the hopeful features for the long view have prominence.

The Financial Post cannot pass an opinion with regard to possible market fluctuations of the stock, either up or down. It can only point out that the sale might very possibly prove a mistake if the company is able to solve its various problems, as officers are apparently confident that it will be able to.

Paramount-Publix on January 21, 1932, made a part payment of $500,000 on account of the sum of $2,550,000 due under the stock repurchase agreement incurred by the purchase of property two years ago. The remainder of the sum will be paid in 18 monthly installments beginning April 1.

Another payment of $4,000,000 is due March 1. In the last 18 months Paramount has paid off $8,500,000 arising out of this stock repurchase obligation, and this is exactly the total of current bank loans. All other current obligations have been handled out of current income in spite of poor business.

Canadian shareholders will be relieved at this arrangement as the debts have been overshadowing the company and the market for the stock for some time. Doubtless similar arrangements will have to be made in March.

Motor and Oil Stocks

I would like to receive some information on some of my holdings relative to holding or selling.

I hold Ford of Canada A bought at 26, Laura Secord bought at 42, Imperial Oil bought at 22, B. A. Oil bought at $10 and Jones Bros.

As Ford of Canada has passed the dividend on the "A" and "B" stocks, the holder of the stock must await the return of active business for automobile companies before he can expect his stock to resume dividends or to appreciate. At the moment it is difficult to estimate Ford's chances for the near term view as the company is generally credited with being on the point of bringing out a new car and ahead of time it is a little risky to judge what the reception will be. If one backs the company because of its success in the past and the way in which it has overcome former difficulties, that is a reasonable ground to take. However, this company and all other companies meet stronger competition than ever existed in the past. Greater value has to be given for the consumer dollar and until business recovers and the demand for cars improves, profits will be hard won. The company is very strong financially and has in the past given an excellent account of itself.

Laura Secord's has not had quite as good business during the depression as previously, but it has a very strong cash position, is well entrenched in the business and to date earnings have apparently covered dividends with a surplus to improve further its financial position.

Imperial Oil is the leading Canadian oil company and is affiliated with the strongest groups in the world with Standard Oil of New Jersey at the head. The current dividend is understood to have been covered in 1931 and as long as the present protective policy keeps up the company should be able to keep up its dividends. On the long view the company should prosper in direct measure as Canada does, and it has a backlog as well in earnings of International Petroleum Co., which will mount along with the rising demand throughout the world. The immediate future is uncertain because world production of crude oil has been exceeding world needs necessitating curtailment programmes difficult to maintain and bringing about prices below costs on the average.

B. A. Oil is the second largest company in Canada. This company also apparently has earned dividends in 1931. The drastic overproduction of crude oil and the consequent serious drop in prices prevent the company from getting the full advantage it otherwise would from recent production brought in on its wells on property in Oklahoma and Texas.

Jones Bros. of Canada omitted its common dividend on July 1, 1931, and the preferred dividend was passed on December 1, 1931. You do not state whether you hold bonds, preferred or common stock. The company earned its interest six times before depreciation in 1930, its preferred stock nearly three times over and had earnings of $1.28 as well on the common stock on which it paid $1.20.

The company manufactures and distributes store fittings, show cases, revolving wardrobes, sectional wall fixtures, New Way units and window display partitions, as well as being a large manufacturer and distributor of barbers' supplies. Naturally, the last year has not been a favorable one for business of this character. It has experienced a change in business which has been pretty well slowed up. Until 1930 earnings had been on a high level after 1926.

Working capital was fairly strong at the end of 1930, but bank advances amounted to $96,381. The funded debt amounted to $258,800. The omission of dividends is direct evidence that 1931 experience has not been favorable.

Plan Industrial Conference

Early in the New Year a conference of all interested in the establishment of new industries in Saint John is to be held, and invitations sent out by Mayor White and the city council to the Saint John Harbor Commissioners, representatives of the Saint John Board of Trade and other leading business men.

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The Hon. J. M. Wilson

600

The National City Bank of New York

including

Domestic and Foreign Offices

Condensed Statement of Condition as of December 31, 1931

CAPITAL, SURPLUS and UNDIVIDED PROFITS
$225,347,466.11

Head Office:
55 Wall Street
New York

ASSETS		
Cash in Vault and in Federal Reserve Bank	$174,642,878.70	
Due from Banks and Bankers	183,551,727.68	$ 358,194,606.38
Loans, Discounts and Bankers' Acceptances		913,237,064.08
United States Government Bonds and Certificates	$250,611,950.54	
State and Municipal Bonds	8,485,995.63	
Stock in Federal Reserve Bank	6,600,000.00	
Other Bonds and Securities	106,892,429.76	372,590,375.93
Ownership of:		
International Banking Corporation		8,000,000.00
Bank Buildings		61,523,248.12
Items in Transit with Branches		9,846,619.36
Customers' Liability Account of Acceptances		126,849,742.60
Other Assets		7,733,764.87
Total		$1,857,975,421.34
LIABILITIES		
Capital	$124,000,000.00	
Surplus	90,000,000.00	
Undivided Profits	11,347,466.11	$ 225,347,466.11
Reserves for:		
Contingencies		25,534,154.61
Accrued Interest, Discount and Other Unearned Income		4,411,279.24
Taxes, Accrued Expenses, et cetera		11,058,409.64
Dividend Payable January 2, 1932		6,200,000.00
Liability as Acceptor, Endorser or Maker on Acceptances and Bills		166,721,252.20
Deposits		1,418,702,859.54
Total		$1,857,975,421.34

Figures of Foreign Offices which are included herein are as of December 24, 1931.

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POOLS OVERPAID MEMBERS IN 1929 BY $24,300,000

After Adjustment Bank Loans of $22,150,000 Were Guaranteed

STILL OWE FOR 1928

Two of Pools Lack Funds to Pay Members Cent and Half Due for Earlier Year

From Our Own Correspondent

REGINA.—Publication of the seventh annual report of Saskatchewan Co-operative Wheat Producers Limited, commonly called the Saskatchewan Wheat Pool, in which is included the annual report of the Central Selling Agency, has made available definite information as to Wheat Pool losses on the marketing of the crop of 1929, and the method by which were arrived at the amounts for which the three western provincial governments had made themselves responsible.

Marketing of 1929 wheat resulted in a realization by the Central Selling Agency of a gross amount of $122,100,574, out of which, after deducting costs against sales amounting to $24,664,462, there was left a net amount of $97,436,112. But amounts which had been paid out through provincial pools as initial payments totalled $117,689,259, so the deficit on wheat was $20,253,147.

For coarse grains, that is oats, barley, flax and rye, the corresponding figures are, total sales, $12,253,426, less costs against sales of $6,111,452, leaving a net realization of $6,141,974. This, deducted from the initial payments of $10,186,382, left a deficit in respect of coarse grains of $4,044,408.

Deficit Over $24,000,000

The total deficit for the marketing of the 1929 crop, including both wheat and coarse grains, was thus $24,297,555, which total amount would represent overpayments theoretically repayable to the Central Selling Agency by the three provincial pools. But the net amount arrived at as actually owing by the provincial pools was $22,149,937; the difference being accounted for by the fact that $2,747,281, balance of realization of the 1928 crop was applied as a credit, instead of being paid over for distribution to 1928 shippers. In addition some current account balances owing to the central by the provincial pools to the amount of $629,681, were applied against the deficit, which was increased in turn by $1,229,344, paid out by the central agency to finance the operations of the provincial pools.

The net amount owing by the provincial pools is carried on the balance sheet of August 31 as an asset, while on the liability side is an entry showing bank indebtedness of exactly the same amount. This is understood to be the amount for which the provincial governments made settlement with the banks, and it was divided $3,364,722 to Manitoba, $13,265,054 to Saskatchewan, and $5,520,162 to Alberta.

Lose on Speculations

The statement of wheat operations for the 1929 crop shows a loss of $2,013,781 on "Options—Special Account." An explanatory note states that this "represents the result of the option transactions made for the purpose of stabilizing the market during the latter part of 1929, and the first two months of 1930." It would appear that purchases of futures were disposed of for the most part without actually taking delivery of wheat, so far as the 1929 crop was concerned, since elsewhere in the report deliveries through the clearing house to the pool are shown as only 912,000 bushels of wheat on 1929 account, as against 6,818,001 bushels for 1928, and 16,090,000 in connection with the 1930 crop. The last mentioned figure represents practically the only information published with respect to the marketing of the 1930 crop, which is still in progress. Selling of the 1928 crop, it is reported, was completed in May, 1931, and of the 1929 crop in June, 1931.

Expense of Carrying

The high cost of carrying large stores of grain for long periods is shown by figures totalling $12,865,333, representing storage and interest charges on 1929 wheat carried in country and terminal elevators, something more than 10 cents a bushel on every bushel of wheat for that year.

With reference to the appointment of John I. McFarland it is stated that "your president, together with the provincial premiers, agreed to install a general manager acceptable to the banks, until the balance of 1929 and 1930 crops had been disposed of. Mr. McFarland accepted the position offered him, on the understanding that he be given a free hand in the marketing of the unsold stocks, but that on questions of policy he would consult the board." After mention of the closing of European and other offices it is stated that "since the beginning of this year our grain trading has been conducted very largely through the Winnipeg Exchange and other markets."

No Cash For 1928 Balance

Negotiations with the Provincial Government of Saskatchewan are detailed with respect to distributing balance of the 1928 realization, amounting to 1½ cents per bushel. The Government took the view that those farmers who had not received an overpayment in 1929 should be allowed to receive this money, but as it had already been absorbed in the 1929 operations it was not available. It was subsequently suggested that the Government might obtain an extra $300,000 to be paid over to the pool for this purpose by sale of its bonds to the banks. The report continues:

"The government has advised us that it prefers to wait for the legislature to meet and if the legislature approves this bond issue, and passes the necessary legislation, arrangements will be made by the government to issue the necessary securities to provide funds for the distribution. We understand that the Saskatchewan government has been assured that, on receipt of such bonds, the banks are prepared to finance such distribution."

Inquiries in political circles seem to show that the Saskatchewan Government has now no intention of carrying out the arrangement suggested, and that even if it desired to do so, the banks would not countenance the issuance of bonds for such a purpose.

Losses on Coarse Grains

Wide contrasts are shown in the statement of losses on coarse grains. On flax the pool almost broken even, and on oats the losses were comparatively light. The heaviest losses proportionately were on rye. On 2,300,000 bushels initial payments aggregating $1,700,000 were made and only $654,000 actually realized. The actual deficit amounted to nearly 50 cents a bushel. The comparatively small quantity of rye handled reduced the comparative importance of the total loss. On barley the loss was approximately 25 cents a bushel, to a total of over $2,500,000. Of this by far the greater part was chargeable against Manitoba, where the losses on barley aggregated $1,686,224, or more than the losses for that province on wheat. For Alberta, where the coarse grains pool was not important, losses on that account were unimportant, less than 4 per cent of the total; for Saskatchewan they were about 12 per cent, but for Manitoba they were more than 50 per cent.

Alberta Pool Able to Pay

From Our Own Correspondent

CALGARY.—The Alberta Wheat Pool has just completed payment of approximately $200,000 to its members as final settlement at the rate of 1⅞c. per bu. on the wheat crop of 1928. Members who delivered grain in 1929, and who received overpayments in excess of the balance remaining on the 1928 crop are not participating, as amounts to which they would have been entitled are retained as an offset on the 1929 settlement. It is understood here that Alberta Pool members are in a better position than those of Saskatchewan and Manitoba, where chances of getting anything more on the 1928 crop are considered to be remote. The Central Selling Agency completed its accounting for the 1928 crop a short time ago, and its reports showed a balance due to the Alberta Pool of $738,749. This amount, however, was not paid over, but was simply deducted from the Alberta deficit of $6,051,833 on the 1929 crop. But the Alberta Pool had some funds in hand with respect to the 1928 crop, out of which it was able to make the payment referred to, for on the 1928 crop it had earned, and had previously been paid, $1,000,000 on premiums received for grain shipped through Vancouver, and after making its payments that year carried forward an undistributed surplus of over $500,000, upon which it has now been able to draw.

The Alberta Pool was also in a more favorable position than Manitoba or Saskatchewan when the final settlement was made by the Central Selling Agency. That organization, in its final settlement, absorbed current account items carried with it at August 31, 1931, to the amount of $629,681, which the provincial pools were unable to draw out, but had to see applied as credits against their indebtedness on the 1929 crop. Of this amount only slightly over $50,000 was contributed by Alberta, for the pool of this province, from the time the Central Selling Agency began to get into difficulties, was careful to husband its own resources, rather than put them into the common pot, this being the reverse of the policy followed by the other provincial pools. Saskatchewan at the time of final settlement had $446,470 in its current account with the Central Selling Agency, and Manitoba $131,125.

Amounts previously paid out on the 1928 crop by all three pools had been on the basis of $1.18½ basis one northern in store in terminal elevators. The additional amount theoretically available on settlement of accounts came to 1⅛ cents per bushel. Alberta's final distribution figures out at a rate ¾ of a cent higher on account of the Vancouver premiums.

GOODYEAR TIRE BOOSTS OUTPUT BY 25 PER CENT

Puts Plant on 24-Hour Day, Five-Day Week Schedule

The Goodyear Tire and Rubber Co., at its plant in New Toronto, has inaugurated 1932 by returning to a full schedule of 24 hours a day, five days a week. This is a 25 per cent increase in production for the Goodyear Company, which recently has been enjoying large business.

D. J. McCarthy, general sales manager, states that the business of the company for the final quarter of 1931 equalled the previous all-time record for a like period, which was made in the boom year of 1929. Mr. McCarthy believes this to indicate renewed activity in automotive circles, and he predicts that 1932 will be an active year in the production of motor cars and accessories.

To Aid Employment

The Goodyear decision to operate the plant on a schedule of four six-hour shifts is intended to aid in alleviating distress by providing at least part-time employment for a larger number of men and women instead of giving normal full-time work to fewer employees. It is said that Goodyear was the first Canadian company to adopt this plan of more daily shifts of shorter duration and that relief workers and town officials claim that New Toronto and neighboring municipalities have less actual distress than is to be found in any similar industrial communities elsewhere in Canada. This is due to a higher percentage of the population having a part income for the greater portion of the period of low production.

Elucidates Plaza Decision On Mortgage Priority

Wide Misapprehension Caused as to Bearing on Competing Mortgage and Lien Charges—Suggests Changes in Mechanics' Lien Act

In an address on January 7 before a large gathering of lawyers in Toronto Hon. Justice F. E. Hodgins relieved somewhat the tension which has been created among Ontario contractors, supply firms and mortgagees by reviewing the Queen's Park Plaza decision as to respective priorities of mortgage and liens he indicated misapprehensions as to the law which have arisen because of the decision and stated clearly the method provided by existing legislation for determining priority of competing mortgage and lien charges.

Justice Hodgins also made suggestions for addition to the statute of a few phrases which would make the intention of the law clearer than at present, his view being that the present law is adequate, if properly understood, and that there is no need for radical changes such as have been suggested by various interests as a result of the practical cessation of building since mortgagees have felt that the priority of advances made under mortgages has been made doubtful by the decision.

Advances Determine Priority

The speaker suggested that Section 7, sub-sec. 3 of the Mechanics Lien Act might be well made more emphatic and clear by additions which would make it read as follows, the additions suggested being set in bold type:

"Where the land and premises upon or in respect of which any work or service is performed, or materials are furnished to be used, is encumbered by a prior mortgage or other charge existing in fact, and **upon which money has been actually advanced**, before any lien arises, such mortgage or—other charge shall, **to the extent of such advance or advances**, have priority over all liens under this Act to the extent of the actual value of such land and premises up to the time the first lien arose, such value to be ascertained by the judge or officer having jurisdiction to try the action by proper evidence to be adduced before him."

Section 13, he thought, might well be improved also by adding the following at the end of subsection 1:

"And in the absence of such notice in writing, or the registration of a claim for lien, all such payments or advances shall have priority over any such lien."

Delays Too Great

Hon. Justice Hodgins also suggested more summary procedure by way of amendment to the Mechanics' Lien Act. The reference in the Queen's Park Plaza case began on June 4, 1930, although the land was bought and an agreement for the erection of the building made in April, 1927. Over two years were thus lost, and nine months elapsed before the report was made on March 25, 1931. Evidence to the extent of 813 pages was taken, and exhibits filed occupying a further 470 pages, a total of 1,283 pages.

"It is now nine months since the report was made, nearly four years having been occupied in the struggle for precedence. The suggestion I desire to make is that some such summary practice as obtains in Admiralty might prove the foundation of a clause providing that when any mechanics' lien is once filed, proceedings might be taken by way of an originating notice before a Judge in Chambers to those concerned, which would at once be referred to the Master.

"Upon the establishment of any lien and failure to pay within a fixed period the amount of the lien in question the property should at once be sold, by a trustee appointed by the Master to manage and effect a sale under the Court's supervision, the proceeds to be paid into Court, and after that, any contest arising out of the liens or the liabilities, inter se, of the parties could be worked out. If the initial lien is paid the proceedings drop but any other lienholder may begin again.

"In the present case, for want of that summary procedure, nearly four years have been lost and a proposition to me for a sale missed as well as the incurring of a great deal of expense which might have been saved. If the speedier practice were adopted, and the property sold, it might be bought in by the mortgagees or the lienholders, or it might be disposed of in other ways and the proceeds would then be known, making it evident to all parties concerned that the amount was involved in the dispute; a knowledge of which might considerably reduce the litigation.

Extend Notification Requirement

"The suggestion has also been made that the date of the completion of any building should be publicly notified, and that all liens should expire unless filed within thirty days after publication. It might be a wise thing to do, but it might well be extended so as to provide that when a lien is registered similar notice should be given and time for filing further liens should be limited.

Give List of Creditors

"As to a person entitled to a lien under the Act, he has now a right to demand a copy of the contract and of the state of the building accounts. (See section 28, The Mechanics' Lien Act, cap. 173). This provision might well be extended to require each contractor to state the names of all those from whom he has got material or who have done work for him, so that information might be on hand as to those to whom money may be owing; and in the interest of the mortgagee or owner the contractor should, when a payment is about to be made, be required to make a declaration not only of all the names of and amounts due to those with whom he is dealing, but a statement that the names so furnished are all to whom any money may be due arising out of the supplying of materials to him or the work done."

In leading up to these suggestions the speaker stated that the Mechanics' Lien Act and the Registry Act deal with two competing charges. If the full amount of the mortgage is not advanced at once, but progressively, the mortgage charge is said to be fed by the subsequent advances. A mechanics' lien arises on the doing of any work or supplying any material but it also is fed day by day as the further work is done or material supplied. In each case the progressive charge is both land and improvements.

As the mortgage charge and the lien are bound to come into competition, the Mechanics' Lien Act is an endeavor to secure for both parties a reasonable amount of security both for the mortgage advances and the progressive increase of the lien. The Legislature divided mortgages into prior mortgages and those which were not prior mortgages except perhaps in part, and enacted that the prior mortgage which existed in fact before any liens arose should be limited in its priority to the actual value of the land and premises at the time the first lien arose. The courts have extended the meaning of first lien to include the first lien which a mortgagee encounters in the course of his advances and not the first lien which arose by the actual beginning of the work provided such lien had been paid off or had ceased to exist before the time for the advance.

Notice or Registration Essential

Other mortgages in which progressive advances were made after any lien in fact arose were as to such advances subordinated to any lien of which notice in writing had reached the mortgagee or after registration. In the absence of such notice or registration it was assumed that subsequent advances by a mortgagee on a building in the course of erection were paid to lienholders, and for that reason priority of the mortgage advance was regarded as equally essential to the success of the building as was the work done by lienholders.

The limiting of prior mortgages to the value of the land as such or the land improvements down to the time when the mortgagee encounters in his advances a lien existing in fact was based upon the idea that a prior mortgage was properly left to the security which had been accepted before the building was commenced and that as to it the later contributions of the lienholders by their work and materials should have precedence of it.

Unfinished Buildings Are Problem

"This does not meet the difficult situation arising when a building is begun and only partly finished and enough money has not been arranged for to complete it. In that case the progressive mortgagee has not sufficient security for his money, nor have the lienholders a sufficient security for their work and material because until the building is finished and becomes saleable neither mortgage charge nor liens can be paid in full.

"The task under such circumstances of satisfying the claim of both parties is in fact an impossible one, because unless a mortgagee feels secure as to each advance as he makes it he will not arrange for a mortgage loan and on the other hand no lienholder will be satisfied if what he has put into the building which may be very substantial and indispensable is not likely to be paid in full and only ranks pari passu with other suppliers some of whom (such as architects and excavators) have added nothing to the cash value of the improvements if the building is left in an unfinished state. Nor will he approve if he thinks the mortgagee has undue protection.

"In case of the sale of a finished building subject to mortgages and liens there would be little trouble in settling the shares and priorities of each in and on the purchase of money. But where a building is unfinished and so has no real realizable value the contest between liens and mortgages is intensified by the fact that no one knows what amount he is likely to get in any event."

Justice Hodgins stated that the judgment in the Plaza case dealt with Section 7, sub-section 3, and Section 13, sub-section 1, of Chapter 173 of the Mechanics' Lien Act Revised Statutes of Ontario 1927. The difficulty created by the decision arose from the extraordinary position taken by the lienholders in admitting that the two large mortgages for $875,000 and $600,000 were what is termed in the Act "prior mortgages" under Section 7.

Time Bonds Sold Unessential

This admission negatived the whole advantage which the statute was intended to give. Lienholders agreed with the argument of the appellants that while their mortgages were security for the whole amount of the bonds to be issued as shown in the deed of mortgage itself, a new time arose, if all the bonds had not been issued before the first lien arose, to determine the actual value of premises, and this time was considered to be the time of actual floating of such bonds.

After quoting and discussing at length the opinions given in connection with the Plaza decision, Justice Hodgins said,—

"The whole question raised by the lienholders was quite beside the mark. If a mortgagee borrows from a bank or a loan company, or from anybody else, or takes it out of his private account in the bank, no one is concerned as to when, how and where he got his money for each advance as he made it. Consequently to discuss when the bonds were sold and the money received from them meant simply, 'how did you get the money which you were to loan to help the building of this property,' and that question, as I say, has nothing to do with the case which was being decided and simply invited defeat. The question is not where and when the mortgagee got the money which he proposed to advance, but when in fact he did make advances, and that does not seem to have been in any way raised in the appeal or considered or dealt with in the judgment."

CON. INDUSTRIES EARNINGS DOWN; DIVIDEND PASSED

Financial Condition Said to be Sound—Cash is Lower

Passing by Consolidated Industries Ltd. of the quarterly dividend due January 1 is an indication of reduced earnings experienced during the past year. Earnings in the fiscal year, which ends March 31, are expected to be well below dividend requirements of 80 cents per share paid during the past year and bonus of 20 cents per share paid on June 1, 1931. Earnings in the last full fiscal year amounted to $4.11 per share on the 140,368 shares outstanding.

Despite drop in earnings, officials of the company are of the opinion that the company's position is better than a year ago. During 1931 a broad programme of expansion was followed, and in addition to electric clocks, production was extended to include electric refrigeration, home laundry appliances and other lines. A widespread merchandising organization was built up to handle the new products and progress was made in these lines which will tend to remove seasonal activity which is experienced in the radio industry. Further lines are possible.

Working capital is understood to have been well maintained but cash has been reduced and the company may end its year with a bank loan. Inventories have been liquidated and, while receivables are higher, collections have been good. Book value of the common shares will approximate the $8.62 shown in 1931. The financial position of the company is stated to be sound and with a diversified output full advantage can be taken of any improvement in demand for its products.

During 1931 there was severe competition in the radio business on which the company had previously been solely dependent for income. The outlook for 1932 in this industry is uncertain but it is felt that unfair competition has been eliminated and prices may be more stable. While earnings from electric refrigeration business fell below anticipations in 1931 it is claimed that the company's product attained a high position in this field and that future sales prospects are good. Production of household laundry equipment is comparatively recent and sale has not been pushed extensively although an organization has been built up that will facilitate business in 1932.

Smuggling Necessitates Tobacco Plant Closure

From Our Own Correspondent

MONTREAL. — Imperial Tobacco Co. will close its branch at St. John's, Nfld., indefinitely, according to an announcement by R. M. Patterson, manager, who mentioned wide-spread smuggling of tobacco and cigarettes as one of the reasons for suspension of operations.

Officials of Imperial Tobacco Co. of Canada state that their company has no direct interest in this Newfoundland unit and can throw no light on the situation.

Quebec Will Not Reduce Civil Service Salaries

From Our Own Correspondent

MONTREAL.—The Quebec Government will not follow the lead set by the Ontario Government in reduction of salaries of civil servants. Premier Taschereau has stated that his government has no intention of reducing the salaries of the Civil Service and that if further retrenchment is found necessary, it will be his endeavor to find some other means of so doing.

Cuba Seeks Market for Sugar

In the course of a visit to Halifax, Dr. Manuel Pedro de la Concha of Cuba said that that country is seeking a market for its surplus sugar and may possibly erect a refinery in Halifax

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now builds Hudson and Essex Cars

IN CANADA

HUDSON Motor Car Company announces the formation of Hudson-Essex of Canada, Limited, a new great Canadian industrial enterprise, located at Tilbury, Ont.

Under this name Hudson and Essex cars—the two superb Pacemakers of 1932—are being manufactured on Canadian soil, by Canadian workmen, in a modern motor car plant now established and beginning operations.

This is a new Canadian large-scale operation in fact as well as in name. During the new year before us, this factory will supply the total requirements of all Hudson and Essex distributors and dealers throughout the Dominion.

Canada can thank its own motorists for this latest addition to its brilliant roll call of industries, for there are now on its far-flung highways a total of more than sixty-five thousand Hudson and Essex cars.

By this new factory in Canada, Hudson shows its appreciation of and recognizes its obligation to this vast army of owners and also expresses in a genuine and tangible way its earnest desire to become an important factor in the Dominion's future prosperity.

More than ever, in the weeks and months ahead, the people of Canada will have many good reasons to "Watch Hudson — which means Essex, too."

HUDSON MOTOR CAR COMPANY
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SECOND SECTION

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SECOND SECTION

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DOM. TEXTILE STARTS 1932 NEAR CAPACITY

Delayed Activity Now Seen as Dealers Restock Shelves

NEW EQUIPMENT IN

Machinery for Manufacture of Corduroys Installed and Ready at Magog

From Our Own Correspondent

MONTREAL.—Indications of a general situation, which many expect to affect industry favorably in 1932, are seen in current operations of Dominion Textile Co., the largest cotton textile manufacturer in the Dominion. This company's plants are now operating near capacity, reflecting the effects of delayed buying. As a rule plant activity takes a considerable spurt in October but it has not been until recent weeks that the company has been able to speed up operations.

It would appear that dealers have held off making commitments until their shelves were stripped; now business from all parts of Canada is coming in fair volume. It is this delayed action in all buying which is expected to find reflection in industrial operations in the current year, for stocks of all kinds are at a relatively low point throughout the world.

Operate at 90 Per Cent

Whatever the causes, plants of Dominion Textile Co are operating at or over 80 per cent of capacity. Demand for prints is especially heavy and the company's print works at Magog are busy with a good volume of work on hand. Another interesting point is the fact that the company's tire fabric plants are now operating at what is regarded as a normal rate of capacity.

Whether Dominion Textile's financial statement for the year ended March 31, 1932, will compare favorably with that of the previous year remains to be seen. The present activity has come later in the year than usual and it is doubtful whether the company will be able to make up the time lost in earlier months.

Tariffs Have Helped

During the current fiscal year the company will have had a full 12 months benefit from the tariff restrictions brought into force in November, 1930. But despite the tariffs which have been placed on imported textiles competition has remained excessively keen; despite the premium on American currency New England mills still find a market for their goods in Canada.

One point however should work in favor of the company to some extent. Raw cotton, while selling at low prices, has not exhibited the wild fluctuations shown in the previous year, a factor which found reflection in inventory values. Raw cotton stocks, however, in the balance sheet were written down from $2,035,126 to $667,155, the lowest figure to be reported since 1925.

New Equipment Installed

Dominion Textile will close its fiscal year with facilities for production of a new line of goods. Equipment for the manufacture of velveteens and corduroys has been successfully installed at Magog; the last pieces of machinery were put in place recently. Commercial production is not yet underway but a special staff has been put in charge and preparatory processes are being co-ordinated with a view to permitting production as soon as possible.

A potential $1,000,000 market in Canada will be exploited by this new venture of Dominion Textile. The special lines which will be produced have hitherto been imported, largely from the United States, while substantial protection is afforded to the new industry on the general list.

Shares of Dominion Textile Co. are pegged at minimum prices of 63¼ at which level the $5 dividend returns a yield of 7.91 per cent. Restrictions on the preferred shares have been lifted; previous to January 4 this stock was pegged at 120.

National Distilleries Make Further Payment

From Our Own Correspondent

MONTREAL. — Creditors of National Distilleries Ltd., who received a dividend of 20 cents on the dollar in December, 1931, are expected to receive a further distribution in the near future. The amount of the payment has not been divulged but it is understood that it will be comparatively small.

It is considered unlikely that creditors will be paid off in full, an indication that shareholders of the company will receive nothing for their holdings.

The first dividend paid to creditors amounted to $25,976 against a total of ordinary claims of $129,884. A balance of $30,042 remained to meet dividends on disputed claims, accounts payable and expenses.

Turbine Installation in Canada

The total turbine installation in Canada amount in round figures to 6,125,000 horsepower, of which 5,200,000 h.p.—over 85 per cent—is installed in central electric stations for general distribution for industrial, municipal, commercial, domestic and agricultural use. Under industrial uses are included substantial quantities sold en bloc for the manufacture of pulp and paper, for mining and for the reduction of minerals and for electro-chemical production.

Seed Growers Plan Convention

The 1932 convention of the Canadian Seed Growers' Association will be held in Winnipeg in June, to be followed immediately by the twelfth annual conference of the Canadian Society of Technical Agriculturists and Affiliate Societies. The sessions will be held in the Manitoba Agricultural College.

Argentine Bonds Hold Deservedly High Rank

Government Faces Serious Financial Problems Now But is Striving to Meet All Obligations to External Holders

ARTICLE SIX: ARGENTINA

The traveller to Argentina is invariably impressed with the grandeur and modern character of its chief city, Buenos Aires, and by the evidences on every side of a progressive and wealthy nation. And first impressions are not misleading, for Argentina, aided by $4,000,000,000 of foreign capital in the development of her large and diversified resources, has advanced far beyond her sister republics of the South American continent.

In many respects Argentina resembles Canada. In size, Argentina ranks second among South American republics and is somewhat less than one-third the area of Canada. Its 11,500,000 inhabitants, mostly of Italian and Spanish origin, make it the third largest in population. The climate is temperate and has assisted the industrious inhabitants in the development of natural resources, particularly the large tracts of fertile land.

Nearly half of the population is concentrated in the city and province of Buenos Aires. This metropolis is one of the great cities of the world, having a population of 2,225,000, and being the centre of the country's commercial and financial activity. The predominance of Buenos Aires in national politics is therefore easily understood, although it is a source of constant friction between the national and provincial governments.

Position of Government

Before applying our seven major tests* to the external bonds of the Argentine Government, we should first of all trace recent political developments so that the reader may understand the significance of the recent "revolution" and have a clearer idea of the present position of the government.

*These seven tests were outlined in the first article in this series on foreign bonds that have been sold in Canada.

Argentina became independent of Spanish rule in 1816 although a constitution was not adopted until 1853. The form of government resembles that of the United States except that the president is elected for a term of six years. The political life of the country previous to 1916 was dominated by conservative leaders who represented the old and wealthy families. Steady immigration of working people and the increase in industrial production resulted in a growing social unrest among the laboring classes along the lines familiar to most other parts of the world. In 1916 the leader of the "Radical" party, Irigoyen, was elected to the presidency. In 1922 he was succeeded by Alvear, also a "radical," and in 1928 Irigoyen was again elected president.

As in other countries, the new labor government was strongly in favor of socialistic principles but was unequal to the task of applying them, or any other principles, to the practical task of government. As usual, a split developed in the party which, by 1930, had made the position of Irigoyen untenable. A growing hostility toward the president, even among the workers, came to a head in September of that year when the population of Buenos Aires demanded the resignation of Irigoyen. General Uriburu marched into the city at the head of the rebellious army and proclaimed a provisional government. The political turnover of September, 1930, in Argentina was a splendid example of one of South America's famous revolutions.

General Uriburu assumed the rôle of dictator upon his self-appointment. Nevertheless, essential reforms have been undertaken and the country has so far avoided the crisis which was rapidly developing under Irigoyen's administration. Uriburu's government, which was officially recognized by the principal countries of the world, has now been superseded by the government of General Augustin Justo —who was elected president on November 8, last. The more conservative elements are in power once again and hold the confidence of the business and banking community, at least.

Now let us examine the question of Argentina's credit standing, and examine the country's economic and financial record and the prospects for the future. Apply test No. 1.—character of the people. The reaction is reasonably favorable. Largely of European descent, the inhabitants are ambitious and industrious. They are more volatile than North Americans but they have demonstrated an ability to manage their affairs successfully. The position of Argentina in this respect is far more favorable than is the case with other South American republics where a great majority of the population is of native descent.

Turning now to the debt record we discover that since the first foreign loan was contracted in 1824 there has been only one period of default—following the crisis of 1890. A moratorium on interest and sinking fund payments was declared in that year. Payments were resumed in 1900, although payment of arrears was not completed until 1913. At no time has there been a suggestion of repudiation, even on the part of the recent radical government.

Exports Products of Soil

Economically, Argentina is largely dependent upon the products of her vast and fertile lands. All of her principal exports are related to the soil. She is the third largest sheep-producing country in the world and ranks fourth as a cattle-raising country. Wheat, corn, linseed, wool, beef, hides—these are the basis of Argentina's prosperity. The output is sufficiently diversified, however, to lend to production a degree of stability which is seriously lacking in Brazil, Bolivia, and other Latin American countries. Meat-packing is the largest industry aside from agricultural and is followed by flour-milling. Argentina has not developed her manufacturing industries to the same extent as we have here in Canada and consequently has been more affected by the collapse in world commodity prices.

The investment of over $4,000,000,000 in Argentina by foreigners, mainly English, American, Dutch and French investors, has naturally placed the control of many industries and a large part of the banking business in their hands. English capital particularly, amounting to over $2,000,000,000, has played a vital part in the development of the country and the fashioning of its institutions. More recently, the United States has become conscious of the profits to be derived from Argentine industry and trade and it may be expected that considerably more American capital will seek investment in this progressive republic. Trade statistics show that the United States is securing more and more business in South America at the expense of European countries, particularly the United Kingdom.

In 1930 Argentina had a large surplus of imports over exports which seriously affected the country's ability to maintain gold payments. The new government put forth every effort to stimulate exports and to cut down imports with the result that during 1931 the balance of trade was favorable. For the first ten months of the year the excess of exports amounted to 174,895,000 pesos as against an excess of imports for the same period of 1930 amounting to 230,288,000 pesos. It is hoped that the surplus of exports for the full year, 1931, will reach $100,000,000 which will go a long way toward restoring Argentina's weakened exchange.

The currency and exchange problems of Argentina are in many respects comparable to our own situation here in Canada. In 1914, Argentina left the gold standard and, like Canada, did not resume gold payments until comparatively recently (August, 1927). The decline in commodity prices and the consequent unfavorable balance of trade forced her off the gold standard again in 1929. Canada was affected in much the same way although she maintained gold payments until early in 1931. In spite of a favorable trade balance in 1931 Argentina, nevertheless, found that heavy shipments of gold were necessary to meet the service on the external debt. However, Argentina holds about three-quarters of all the gold in South America and while her reserve ratio has fallen from 84 per cent, in 1928, to about 60 per cent at the end of 1931, the remaining gold should be sufficient to meet all charges until the full effect of the export trade balance is felt. While Argentina's exchange is temporarily depressed and while certain reforms, such as in the banking system, are necessary to the improvement of the currency situation, no great weakness is apparent. Her obligations in foreign markets are being met and should continue to be met.

Bonds Held Abroad

The Irigoyen government accumulated a large floating debt which has been an embarrassment to the country during the present crisis. In October, 1931, a portion of this debt was renewed and a portion paid off. At the present time the debt of the Republic is approximately as follows (in dollars):

Internal debt	$500,000,000
External debt	540,000,000
Floating debt	200,000,000
Total	$1,240,000,000

An examination of these figures throws considerable light on the problems now facing Argentina. In the first place, while the debt total does not seem unduly burdensome (only $110 per capita as compared with a debt of $233 per capita in Canada) nearly half of the total is external debt calling for payment in foreign currencies. In Canada less than one-quarter of the debt is external. The relatively large short-term or floating debt is another source of trouble. The repayment of these debts, some of them held by American banks, has placed a severe strain on Argentina's gold reserves. It is hoped that the new government will tackle the financial problem with vigor and take steps to place the country on a sounder basis.

Faces Large Deficit

Already important economies in the government's expenditures have been effected and strong attempts are being made to balance the budget. This year there will be a deficit of from $70,000,000 to $100,000,000 but under ordinary conditions the budget can be balanced without too great a strain on the national income. Debt service charges account for about 40 per cent of all expenditures, indicating a relatively high debt in terms of present taxation. Holders of the 5½ per cent and 6 per cent dollar bonds sold in Canada are most concerned in the ability of the country to meet the interest payments in gold. Nearly all the other South American republics have defaulted in this respect although some of them are paying the interest in domestic currency. While it cannot even be definitely stated that Canada will be able to maintain payment of interest in American dollars, it is expected that Argentina, like Canada, will not leave a stone unturned to prevent a default on its external loans.

Summing up the evidence for and against Argentina's credit, it is clear that under normal conditions this republic is entitled to the confidence of investors. There is no evidence of bad faith by its people or of inherent weakness in the economic or political structure of the country. A somewhat unbalanced production, political upheavals, the lack of a suitable banking system, are among the minor handicaps to a generally sound and healthy nation. Nearly all authorities agree that Argentine bonds remain one of the better risks among foreign issues and may be expected to sell at higher prices in due course.

Next week the outlook for Brazilian and other South American bonds will be discussed.

LOAN SHUT-DOWN BY U. S. A. BUILDS DOLLAR PREMIUM

Formerly Shipped Large Volume of Capital Abroad

Discussing the course of the foreign exchange value of the Canadian dollar in recent months, A. E. Ames & Co. Ltd., in their January letter, attributes the discount on our dollar, briefly, to the temporary inability to negotiate loans in the United States with which to finance our obligations as they fall due, and consequent participation in a world-wide scramble for American funds for this purpose.

Factors are enumerated which would have the effect of modifying the discount on the Canadian dollar, these being the correction of the adverse balance of international payments by an increase of sales of Canadian goods and securities abroad; a marked growth in tourist expenditures in Canada; a reduction of Canadian purchases abroad; and access to the American markets for loans. Moreover, benefit would be marked upon adjustment of reparations payments and of inter-governmental principal and interest charges.

Creditor Nations Part

The letter points out that, in its simplest terms, the problem of maintaining stability in foreign exchanges is little different from the problem of the householder or business in balancing their budgets; a nation's receipts from foreign sources must at least equal its disbursements if high credit standing is to be maintained. In order to achieve this it was customary, normally, for creditor nations to lend their surplus receipts and for debtor nations to make up their deficiencies of foreign funds by borrowing. Great Britain made a practice of investing its surplus throughout the world, while, conversely, Canada — a debtor nation—found it expedient to borrow the funds necessary to balance international accounts.

Thus, the stability of foreign exchanges before the war was due to the free flow of capital to debtor nations, principally through the money markets of London. The war disrupted this simple and virtually automatic adjustment of accounts, while the situation has been complicated by reparations and inter-governmental debts.

U. S. Markets Closed

The United States is now the leading creditor nation, and as regards the availability of international loans there is a decided contrast between the American capital market and that of London before the war. The United States, in fact, is virtually closed to foreign borrowers for the time being, and meanwhile interest payments and the maturing installments of principal of her debtors are falling due, with no means of meeting them beyond the usual methods of gold shipments, commodity exports and sale of investments. In order to command American funds, even at a premium, securities, commodities, gold, and other foreign funds have had to be sacrificed.

Canada was one of the last countries to lose ready access to the American money markets, and the discount on the Canadian dollar is in large part due to our temporary inability to finance in the United States, in common with other nations, so that Canadians have been forced to bid heavily for American funds.

Canada's principal obligation to foreign countries, chiefly the United States, is a net annual interest payment on previous borrowings of over $200,000,000. From 1925 to 1928 the net proceeds from tourist traffic, surplus of exports, and miscellaneous items were sufficient to meet this obligation and, over and above foreign investment in Canada, leave a net surplus which was invested abroad. In 1929, however, we had a surplus of imports and, in addition, borrowed more funds than we invested outside. In 1930, while our obligations certainly did not decrease (official figures are not yet available) our surplus of imports amounted to over $100,000,000.

The appearance of deficits in many public accounts did not add to the favor with which Canadian securities had been hitherto regarded, and, in fact, has impaired our credit standing, although the marked recognition of this fact, is reassuring for its future correction.

Dominion Coal Establishes New Production Record

From Our Own Correspondent

MONTREAL.—Hoisting 2,705 tons in one day, number 12 colliery of Dominion Coal Co. established a new production record. The mine is located at New Waterford; the previous record was set in June 1931 when 2,543 tons of coal were mined in one day.

Operations of Dominion Coal Co., subsidiary of Dominion Steel and Coal Corp. met with severe difficulties last year and it is reported that loss on 1931 activity will total around $1,400,000.

FORESEES PARITY OF CURRENCIES WITHIN EMPIRE

Thirty Per Cent Devalorization for All Dominions is Urged

Declaring that trade between Great Britain and Australia, New Zealand, North and South Rhodesia and India has increased enormously as a result of departure of those countries from the gold standard, Joseph Ricardo, of London, England, writing in "The Iron and Coal Trades Review" recently, proposes that, in order quickly to resuscitate the trade of Empire countries, they should all depreciate their respective currencies to the level of the Australian £, and then for each member of the Empire to stabilize its currency at that level, so that each would be devalorized to the extent of 30 per cent.

Beneficial results that would ensue, according to Mr. Ricardo, are: that the currency of each member of the Empire would have a par value within the Empire and be at a discount of 30 per cent outside. This would be equivalent to a duty on imports and a bounty on exports of 30 per cent. Each member of the Empire would of necessity make its purchases within the Empire, the Dominions would have an assured market for their products and Great Britain for its manufactured goods. It would reduce the national debt of the Empire by 30 per cent (expressed in gold). The cost of living would not be appreciably increased because the Empire is self-sufficient.

Thus, concludes Mr. Ricardo, all the benefits of protection would be obtained without any of its disadvantages.

As Applied to Canada

Reviewing the Canadian situation Mr. Ricardo points out that today Canada imports some $1,250,000,000 of manufactured goods, mostly from the United States. She has a tariff of about 40 per cent, deriving a revenue from this source of $500,000,000, so that, apart from the desire to foster her own industries, she could not give British goods free entry. If the devalorization took place and the dollar were worth 70 cents in the United States and 100 cents in Great Britain, Canada would buy from Great Britain instead of from the United States.

Anticipating the objection that Canada and South Africa would not agree to this proposal, Mr. Ricardo expresses the view that it might only be necessary to point to the ready markets that Australia, New Zealand and India are finding for their products to impress upon them the wisdom of entertaining it. He feels that the Dominions will come to it in time and that the proposal should be made in terms for immediate consideration in the endeavor to shorten what will otherwise be a lengthy process.

Only those countries which are self-sufficient can benefit by depreciation; in other cases it raises the cost of production and depreciates the ability to compete, and therefore the benefits of devalorization are not dependent on other countries remaining on the gold standard, Mr. Ricardo declares.

POWER BOARD OF NOVA SCOTIA RECORDS GAINS

Increased Deliveries and Transmission Lines Feature Activity

From Our Own Correspondent

MONTREAL. — Despite general slowing up of business, Nova Scotia Power Commission reports expansion of operations during the past year.

According to H. S. Johnston, chief engineer of the commission, the outstanding feature of the past twelve months was the increasing demand for electric power and energy, a better regulation of the water supply made possible by inter-connecting tie lines between developments, and a sufficient amount of water adequately to meet the power demand.

A considerable amount of construction was undertaken, new steam units and hydro-electric developments went into operation and systems were modernized and improved.

Sell More Power

During the twelve months ended Sept. 30, 1930, the Nova Scotia Power Commission delivered 135,526,767 kw.h. of electrical energy. For the same period ended September 30, 1931, the delivered energy totalled 151,566,432 kw.h., or the equivalent to an increase of 12 per cent. The delivered energy to Halifax increased 7.5 per cent during this time; the balance of gain being distributed over the other areas served by the commission.

Outlay of $375,000

During the past year, the Nova Scotia Power Commission completed or placed under construction work totalling in value $375,000. On the Roseway River, the commission placed in operation on March 1 a new hydro-electric development which replaced the old plant taken over in 1930 from the municipality of Shelbourne. A 360-h.p. turbine directly connected to a 300-kw. generator, was installed at this station. Provision has been made for a second unit with a turbine capacity of 440 h.p.

At Rapid Falls on the Mersey River, the commission completed a hydro-electric plant which went into operation during August. This development, which is the power producing agency for the Markland system and known as the Rapid Falls development, is tied in to the commission's Mersey system at Big Falls substation.

Little Invested Abroad By Canadians in 1931

Net Increase During Year $24,000,000 — Bank Balances Low—Explanation of Items Combats Any Idea of Flight of Capital

By KENNETH W. TAYLOR, M.A.
Associate Professor of Political Economy, McMaster University.
(Estimate Prepared for The Financial Post Business Year Book, 1932)

Canadian investments abroad in 1931 showed few changes. Some fourteen large foreign issues were publicly offered in Canada during the year, and it is estimated that about $10,000,000 of these securities were purchased. It is believed that insurance company investments abroad increased by a much smaller amount than in previous years. No significant changes occurred in direct investments or in the miscellaneous class.

The net increase in Canadian investments abroad was $24,000,000 during the year, making a total of $1,802,000,000 on January 1, 1932. Details are as follows:

Changes in Canadian Investments Abroad, 1931
(Estimated for The Financial Post Business Year Book, 1932)

	Total	Gr. Britain	United States	Elsewhere
New foreign issues bought	$10,000,000	......	$8,000,000	$2,000,000
Old foreign issues bought	25,000,000	$1,000,000	19,000,000	5,000,000
Total new investment	35,000,000	1,000,000	27,000,000	7,000,000
Decrease in govt. and bank balances in direct industrial investments	11,000,000	3,500,000	2,000,000	5,500,000
Net increase, 1931	**$24,000,000**	***$2,500,000**	**$25,000,000**	**$1,500,000**
1930	26,000,000	3,500,000	*17,500,000	40,000,000

* Decreases.

One important change in Canadian capital abroad is in the foreign balances of the chartered banks. These figures are the excess of total assets abroad over total liabilities abroad:

Foreign Balances of Canadian Chartered Banks

Dec. 31, 1920	$132,151,000
Dec. 31, 1921	100,940,000
Dec. 31, 1922	102,891,000
Dec. 31, 1923	90,418,000
Dec. 31, 1924	95,698,000
Dec. 31, 1925	196,231,000
Dec. 31, 1926	260,560,000
Dec. 31, 1927	238,447,000
Dec. 31, 1928	187,597,000
Dec. 31, 1929	97,500,000
Dec. 31, 1930	71,230,000
Oct. 31, 1931	51,748,000

It is clear from these figures that Canadian banking balances abroad can be very little above the minimum necessary to finance current trade, and that there are no free balance abroad to help support Canadian exchange.

Investments Defined

There is a good deal of misconception in the public mind as to what these Canadian investments abroad are, and why they have been made. It has been suggested in some quarters that they are a flight of capital from Canada, and that there should be an embargo on the export of capital from Canada. It may be well, therefore, to explain just what these items are:

1. **Government Credits and Balances.** The greater part of this is debts due to the Dominion by Roumania and Greece.

2. **Banking Balances Abroad.** This is the excess of total assets abroad over total liabilities. The Canadian banks maintain about 175 branches, chiefly in Newfoundland, the West Indies, and South America, where they do a large business, as well as very important branches or agencies in London, New York, and Paris. When large amounts of surplus funds accrue to Canada (as in years when there are large favorable trade balances), funds which are not required for current business in Canada—it is both prudent and proper to keep these funds employed where there is a demand for them, that is in London and New York. These balances may be used to meet future unfavorable trade balances, or as the demand for funds at home grows, they can be returned to Canada. The unusually low state of these foreign balances at the present time is due in part to the heavy unfavorable trade balances prior to June, 1931, and, in part, to the heavy demand for funds at home.

3. **Securities Held by Banks.** The Canadian banks hold as part of their liquid assets several hundreds of millions of dollars of securities. It is only natural that a small part of these should be British or foreign stocks or bonds.

4. **Insurance Company Investments.** Canadian insurance companies have investments of more than $1,500,000,000. Prudent administration of so large a sum would require some geographical diversification. Moreover, several Canadian insurance companies do a very large foreign business. In many cases foreign laws require that the reserves back of such policies must be maintained in certain types of approved securities, and local securities are, usually specified.

5. **Direct Industrial Investments.** A great deal has been written about foreign branch plants in Canada, but we rarely hear of Canadian branch plants abroad. There are sixty or more Canadian companies that have established branch plants abroad. Canada produces a great many able business men, and in many cases the domestic field, in their particular line, proves too small for their abilities.

It is natural in such cases that they should expand into nearby fields. Thus we find Canadian-owned chain stores in Buffalo, Rochester, Chicago and elsewhere. The exploitation of natural resources has developed in Canada specialized skills in building, managing, and financing certain kinds of industries; for example, hydro-electric light and power plants. Other parts of the world, notably Latin America, have borrowed from us men and money for similar enterprises. Another type of direct industrial investment is where a Canadian company acquires a world-wide reputation for its products, and has to develop its own branch factories abroad, partly to give better service to its customers, and partly to escape foreign tariffs. Another item is the Canadian Railways which have found it necessary to build or to acquire control of branch lines and connections in the United States, in order to round out their systems and protect their traffic.

6. **Miscellaneous Investments.** Canadian corporations and individuals, not included in any of the other groups, hold very large quantities of foreign securities. Some of these are offsetting items to certain foreign investments in Canada. For example, the Borden Company of America acquires a large Canadian dairy by an exchange of stock. This is a new foreign investment in Canada, but at the same time a new Canadian investment abroad. Canadians own six per cent of the parent Borden Company's capital. Canadians own about $20,000,000 of General Motors' stock, much of it acquired in a similar way. Canadian Investment Trusts invest a large proportion of their capital outside Canada. Many Canadian investment banking houses in distributing new Canadian securities, participate, in return, in distributing parts of large foreign issues in Canada. It has been estimated that Canadian holdings of post-war foreign bonds originally underwritten in New York, amount to over $300,000,000. This miscellaneous group is the most difficult one to estimate and is subject to a fairly large error. Stocks and bonds are daily bought and sold across the border, and there is no way of calculating the annual balance. The estimates used are based largely on the careful opinions of bankers and brokers who are in close touch with the situation.

Canadian investments abroad are, on the whole, a natural development. Excepting a few cases, they are not a forced growth, or a foolish attempt to imitate a great financial neighbor, and in no sense are they a flight of capital from Canada.

The accompanying table gives The Financial Post Business Year Book figures for January 1, 1932, and comparative totals for 1931, 1929 (the latest official estimate by the Dominion Bureau of Statistics), and 1926.

Canadian Investments Abroad, Jan. 1, 1932
(Estimated for The Financial Post Business Year Book)

	Total	Great Britain	United States	Other Countries
Govt. credits and balances	$62,500,000	$2,000,000	$30,000,000	$30,500,000
Balances of chartered banks	52,000,000	10,500,000	31,000,000	10,500,000
Securities held by banks	73,000,000	24,000,000	17,000,000	32,000,000
Insurance co. investments	391,000,000	22,000,000	256,000,000	113,000,000
Direct industrial investments	369,500,000	8,000,000	157,500,000	204,000,000
Miscellaneous	854,000,000	12,000,000	520,000,000	322,000,000
Total, Jan. 1, 1932	**$1,802,000,000**	**$78,500,000**	**$1,011,500,000**	**$712,000,000**
Total, 1931	1,778,000,000	81,000,000	986,500,000	710,500,000
1929	1,745,816,000	95,916,000	991,652,000	658,248,000
1926	1,139,415,000	124,246,000	626,255,000	388,914,000

HAMILTON BRIDGE BUSINESS IS FAIR

Declares Regular Dividend on Preferred Stock

From Our Own Correspondent

MONTREAL.—Volume of business obtained by Hamilton Bridge Co. in 1931 is described as satisfactory in view of existing conditions though no details of earnings are available as yet. The regular quarterly dividend on the preferred stock, payable February 1, has been declared. Dividends on the common were suspended in August, 1931.

Approximate figures were released at the close of the first six months operations which showed profits, before depreciation, of $145,000 compared with $247,606 in the same period in the previous year. Preferred dividends paid in the first half-year totalled $72,605.

Third Quarter Improved

At that time it was stated that the volume of business then secured and in prospect assured a third quarter better than those preceding. A recent order, it is understood, has been for 1,000 tons of structural steel for a school in Hamilton.

Whether earnings in 1931, after depreciation, will be sufficient to cover preferred dividend requirements for the year remains to be seen; in 1930 the 6½ per cent dividend was earned twice over.

Many Changes Noted in Rubber Industry, 1930

Although three more establishments were added to the rubber manufacturing industry in Canada in 1930, capital employed declined $4,500,000, salaries and wages paid were lower by over $4,000,000 and value of products made, declined in value from $97,000,000 to $73,700,000, according to the annual report on the industry by the Dominion Bureau of Statistics. This represents a drop in value of production of $23,000,000 or 23.9 per cent as compared with 1929.

Of the three main classes of products manufactured in this industry rubber tires and tubes accounted for $36,500,000 or 50 per cent of the total; rubber footwear for $23,783,000 or 32 per cent and other rubber goods for the balance. Compared with the previous year, the output of rubber tires dropped in value by 28.8 per cent, rubber footwear 20 per cent and other goods by 15.4 per cent.

Total imports during the year amounted to $12,842,000 as compared with $22,709,000 the previous year. The chief import is of course crude rubber, which is imported from the United States in 1930 to the extent of $12,000,000. Exports in 1930 were valued at $25,000,000 a decrease of over $6,900,000 or 20 per cent. Our largest market was the United Kingdom which took $5,887,000, while New Zealand, Argentine, Denmark and British South Africa came next in importance. Almost 50 per cent of all exports went to British Dominions and dependencies.

CAN. VINEGARS NET EARNINGS SHOW INCREASE

Growth in Reserves Reduces Net Profit to 1930 Level

FIXED ASSETS UP

Stock Earned $1.83 Per Share Against $1.82 in Previous Year—Now Holds Bonds

Canada Vinegars Ltd. increased net earnings in the year ended November 30, 1931, as compared with the two preceding years and after increased appropriation for depreciation and income tax reserves and an increase in profit for minority shareholders of Western Vinegars Ltd. closed the year with a net profit of $168,676 as against $167,903 in 1930. Earnings per share are shown at $1.83 on the 92,000 no par value common shares outstanding as compared with $1.82 per share in 1930 and $2.01 per share in 1929.

Increase in surplus has been effected and liquid position strengthened. Increase has been effected in fixed assets and mortgages on plants have been reduced. The company operates some 13 vinegar plants from Quebec to British Columbia. Its owns a large part of the capital stock of Western Vinegars Ltd. but the current statement shows a greater liability on account of stock not owned than was the case in 1930 while dividends and profits accrued on minority holdings are larger than in that year.

Income and surplus account of the company in the past three fiscal years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Nov. 30

	1931	1930	1929
	$	$	$
Net earnings	251,390	232,588	249,363
Less:			
Depreciation	58,585	49,974	48,747
Inc. tax res.	20,000	12,541	13,862
Divd. accrued*	4,130	2,170	2,197
Net profit	168,676	167,903	184,557
Less: Divds.	147,200	147,200	147,200
Surp. for year	21,476	20,703	37,357
Add: Prev. surp.	178,988	158,285	120,928
Surp. forward	200,464	178,988	158,285

* On preferred shares of Western Vinegars Ltd. and proportion of profits accruing on common shares not owned by Canada Vinegars Ltd.

Working Capital Improves

Current assets total $424,123 against current liabilities of $104,754, a ratio of over four to 1. Liquid position is shown to be stronger than in 1930 with accounts receivable and inventories somewhat lower. Cash at $39,188 compares with $48,237 in 1930 but the company has $55,000 in par value of Dominion bonds which were not held in 1930. Accounts receivable are down to $54,199 from $63,372 and inventories to $275,736 from $281,262. Current liabilities are higher due to increased provision for containers returnable and for income tax. Accounts payable are down to $25,397 from $27,077 and liability to customers for containers returned is down to $27,608 from $34,166 shown in 1930.

Fixed assets of the company are valued at $1,520,644 which includes land, buildings, plant and equipment taken at cost. In 1930 the fixed assets at cost were carried at $1,371,038. Increase in the past year was $149,606. Mortgages receivable carried at $37,230 in 1930 do not appear in the 1931 statement and the only other asset is goodwill carried at $1.

Liabilities other than current include mortgages payable on plants at Edmonton and Vancouver which amount to $25,493 as compared with $33,507 in the previous year. Reserve for depreciation has been increased by $57,274 to $197,594.

Book value of capital stock of Western Vinegars Ltd. which is not held by Canada Vinegars Ltd. is carried at a book value of $93,961 as compared with $31,010 in 1930. Capital stock outstanding remains the same at 92,000 common shares which are carried at $1,322,503 which surplus has been increased by $21,476 to $200,464.

Six Countries Pay Premium On Our Dollar

While the fact that Canadian funds are at a discount in terms of the United States dollar has naturally been foremost in the minds of Canadians during the past several months—a fact which, apart from its business application, has been something of a thorn in the side of Canada's pride—some consolation may be taken from the fact that as at the close of 1931, the Canadian dollar was at a premium in terms of the pound sterling, the Scandinavian kroner, the Argentine peso, the Brazilian milreis, the Indian rupee and the Hong Kong dollar.

In addition to the United States dollar, Canadian funds are at a discount with French and Swiss francs, the German reichsmark, the Italian lira and the Dutch guilder.

Few Gold Nations

Reviewing the exchange situation in 1931 the Dominion Bureau of Statistics points out that after Japan decided on December to suspend gold shipments the only free gold countries remaining were the United States, France, Holland, Switzerland, Belgium, Italy, Poland, Roumania, South Africa, and a number of Latin-American powers whose currencies have been held in line with the United States dollar.

DIVIDEND NOTICES

Dividend Number 223

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

A dividend of 1% on the Capital Stock of the Company has been declared payable on the 28th day of January, 1932, on which date cheques will be mailed to shareholders of record at the close of business on the 14th day of January, 1932.

DATED the 7th day of January, 1932.

I. McIVOR,
Assistant-Treasurer.

HAMILTON BRIDGE COMPANY LIMITED

Notice of Preferred Stock Dividend

Notice is hereby given that a dividend of 1⅝% has been declared on the outstanding 6½% CUMULATIVE FIRST PREFERRED STOCK of Hamilton Bridge Company, Limited, for quarter ending January 31st, 1932, payable the 1st day of February, 1932, to Shareholders of record as at the close of business on the 15th day of January, 1932.

By Order of the Board.

F. G. WILSON,
Secretary.

POWER CORPORATION OF CANADA LIMITED

Common Dividend No. 9

A DIVIDEND of Fifty Cents (50c.) per share being at the rate of Two Dollars ($2.00) per annum, on the No Par Value COMMON STOCK of Power Corporation of Canada, Limited, has been declared for the quarter ending January 31st, 1932, payable February 20th, 1932, to shareholders of record at the close of business on January 30th, 1932.

By order of the Board.

L. C. HASKELL, Secretary.
Montreal, December 18th, 1931.

Simpsons, Limited

Preference Dividend No. 10

Notice is hereby given that a Quarterly Dividend of One and Five-eighths Per Cent. upon the outstanding Six and One-Half Per Cent. Cumulative Preference Shares of this Company has been declared, payable on February 1, 1932, to shareholders of record at the close of business on the 20th day of January, 1932. The transfer books will not be closed.

FRANK HAY,
Secretary.
Toronto, January 12, 1932.

THE DOMINION BANK

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1932, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.
Toronto, 17th December, 1931.

MONTREAL TRAMWAYS COMPANY

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND FIFTY CENTS ($2.50) per share, for the quarter ending December 31st, 1931, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Thursday, the 7th day of January, 1932, at 4 o'clock p.m. and payable on Friday, the 15th day of January, 1932.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.
December 14th, 1931.

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

Black & Armstrong
Real Estate, Valuations, Rentals, Farm Lands, Mortgages and Insurance.
200 Toronto General Trusts Bldg.,
Winnipeg, Manitoba

The Western Savings and Loan Association
First Mortgage Loans
Agencies throughout Manitoba, Saskatchewan and Alberta
Head Office:
Winnipeg, Man.

WEBER BROS. AGENCIES LTD.
PROPERTY MANAGEMENT
REAL ESTATE
INSURANCE
FINANCIAL AGENTS
EDMONTON CREDIT BUILDING
EDMONTON ALBERTA

Annapolis Apples Move Faster

The movement of apples from the Annapolis Valley to Halifax for export since the beginning of the season to January 5, totals 685,084 barrels, 16,513 half-barrels and 9,274 boxes, as compared with 570,938 barrels, 21,795 half-barrels and 2,646 boxes for the same period of the year before.

Toronto Port Experiences Record

The Port of Toronto has experienced an all-time record in the volume of its water-borne trade. Statistics compiled for the 1931 season show an increase of over 60 per cent compared with the 1930 tonnage of freight into the port. The water-borne trade in the harbor reached a grand total of 2,115,830 short tons, a gain of 822,966 tons over the 1930 total.

WOODS MFG. CO. TO CUT GOODWILL VALUE $1,673,940

Place Item at $1; Also Propose Putting Stock on No Par Basis

From Our Own Correspondent

MONTREAL.—Reduction of the value placed against goodwill from $1,673,941 to $1 and altering the status of the common shares from $100 par value each to no par value, will be considered by the shareholders of Woods Manufacturing Co. at a special general meeting called for February 10 next.

Woods Manufacturing operates several plants in Ontario, Quebec and New York State for the manufacture of jute and cotton finished products. Bags, burlaps, tarpaulins, heavy clothing used by lumbermen and contractors and other items of a similar nature are the principal items turned out.

Originally a Merger

The present company came into being in 1912 as a merger of various units. Originally it issued $1,000,000 of the present bonds, $1,528,300 of preferred and $1,710,600 of common stock. The funded debt has since been cut down to $778,000 through the operation of the sinking fund.

Both the preferred and common stocks were underwritten by individual underwriters and were not issued through any bond house or investment company. The dividend on the former has been paid up to date, but nothing has been paid on the common stock since 1916.

Income Fluctuates Widely

Operating income of the company has been subject to wide fluctuations in recent years, with earnings on the common stock ranging as high as $4.09 in 1928.

In 1930, the last year for which an income statement and balance sheet is available, Woods Manufacturing showed an operating deficit of $69,208. After taking care of bond interest, depreciation and preferred dividends, there was a deficit for the year of $260,539, which cut down the surplus to $71,859.

The balance sheet at the end of 1930 showed the working capital position at a lower point than for any time in the past seven years. Inventories have held at a high level and a bank loan of $225,000 was shown in the 1930 statement.

There is a limited investment interest in the stocks of this company. Though listed on the Montreal Stock Exchange no trading took place in the common stock in either 1930 or 1931, while the preferred made an infrequent appearance.

SILVERWOOD'S 8 MOS. EARNINGS SHOW GOOD GAIN

Dropped Class "A" and Common Dividends to Reduce Bank Liability

Silverwood's Dairies, Ltd., reports earnings for the eight months ending November 28, 1931, at $411,981 as compared with $362,117 for the same period in 1930. A. E. Silverwood, president, states that the decision to omit the dividend on Class "A" and common stock due January 1 in the face of these larger profits was taken because it is felt desirable to reduce the bank liability of the company. Conditions are not propitious at present for a bond issue, which had at first been considered.

The company had spent large sums of money for increased equipment in recent years, Mr. Silverwood states, one item alone being $900,000 in iceless refrigeration equipment, $500,000 of this amount being paid in the last three years. The company had materially improved its position out of earnings, while business has been climbing in an encouraging manner. Retail milk sales in the year ending March 31, 1928, were 5,918,342 units and this had grown to 24,156,764 in 1931, while more than 30,000,000 units were expected in 1932. Ice cream sales increased from 413,609 gallons in 1928 to 743,193 gallons in 1931.

The directors, management and employees hold 60 per cent of the class "A" stock and common stock. Before dividend was dropped total disbursed in 1931 was $300,000.

Mr. Silverwood states that preferred dividends require about $230,000 and the company expects to earn double this amount in the year before Federal tax, but after allowing $335,000 for depreciation. The preferred capital outstanding had not increased during the last 15 months, while the company's position had shown a decided improvement.

Motor Magnate Curls

R. S. McLAUGHLIN
President of General Motors Corporation of Canada, in the curling rink at Lucerne-in-Quebec.

SCANDINAVIANS LOWER PRICES ON NEWSPRINT

Offering Paper on Pacific Coast Below Contract Rate

From Our Own Correspondent

MONTREAL. — Scandinavian newsprint producers are endeavoring to secure a larger share of the American business, judging by despatches from New York to the effect that they are now offering newsprint on the Pacific Coast as low as $41 a ton. Previous prices for Scandinavian paper on the Pacific Coast had been $45.

Contracts of Pacific Coast consumers on paper received from Canadian mills were made on a basis of $50 a ton as of January 1. This compares with $53 a ton on newsprint delivered in the New York area from Canadian mills.

No Danger Yet

It is stated that not enough newsprint has yet been delivered on the Pacific Coast by Scandinavian producers to affect contracts held by the Canadians, but the continued weakness of Scandinavian exchanges holds forth the possibility that more shipments will be made. Even with exchange favoring them Scandinavian producers have not been able to deliver newsprint of a quality high enough to compete seriously with Canadian paper, North American mill interests contend.

The Scandinavian shipments have, however, had something of a technical effect in unsettling newsprint prices at New York in recent months, although the main reason for the drop in prices from $57 to $53 a ton at the beginning of this year was the competition given by Canadian maritime province producers, who ship to New York by the low-cost water route.

Expect Some Stability

No further reductions in prices are expected to be made by Canadian mills in the near future unless the Canadian dollar is quoted at a much sharper discount than at present. The rate on the Canadian dollar has shown a strong firming tendency recently, removing from the sphere of immediate probability another lowering of newsprint prices. The current rate is around 15 per cent discount against a rate of around 20 per cent discount last month.

Trade Prices Change in Hardware Lines

A reduction has been made in trade prices of certain items in one make of ammunition. Rim fire cartridges are reduced, varying from 2½ per cent to 6 per cent, and two types of loaded shot shells are lower by 5 per cent. Centre fire cartridges, blanks, and two other types of loaded shells show no variation from former levels. Jobbers have revised their prices on plumbing enamelware, including bath tubs, sinks, lavatories, etc., to allow for the advance of approximately 5 per cent to 10 per cent made by manufacturers at the beginning of the year, states Hardware and Metal, Toronto.

Various factors, including advanced freight rates in the U. S. A., higher prices in Savannah, Ga., and the premium on U. S. funds, are helping to maintain a very strong turpentine price in Canada. Firmness prevails in almost all import prices, on account of the exchange, which is holding very close to 20 per cent.

The sale of seasonable hardware items such as snow shovels, antifreeze, weatherstrip, snow shoes, tobaggans, etc., is comparatively light, while a good demand is reported for cross cut saws, axes, leather mitts, electric lamps, radio tubes, etc. Spring booking is improving, but is not yet very extensive.

SOVIET ORDER FOR $5,000,000 IS FATHERLESS

Official Knowledge of Aluminum Dicker is Lacking

From Our Own Correspondent

MONTREAL. — An order for $5,000,000 of Quebec aluminum goods from Soviet Russia is in prospect provided that payment will be accepted in the form of $2,000,000 of Russian coal and the balance in gold or upon credit terms agreeable to the seller.

In view of the embargo upon trade between Canada and the Soviet Union this business cannot be accepted unless restrictions on trading are removed. It is said that Premier Taschereau and Hon. A. David, of the Quebec government, had been asked to intercede with the Dominion authorities in order to secure this business for the province.

Overtures Are Made

Information received by The Financial Post indicates that overtures have been made looking to the placing of this order with the Aluminum Co. of Canada, but Premier Taschereau definitely stated that neither he nor Mr. David have been in touch with anyone connected with the Soviet. Officials of Amtorg, the Soviet trading agency in New York which is said to be handling the Russian end of the negotiations, are reported as saying that the negotiations proved "new," to them, while the vice-president of the Aluminum Co. of Canada, says that "negotiations are in progress," but would not make any amplification of his statement.

No One Knows

It would seem that no one wants to accept responsibility for having any complete knowledge of the current negotiations in view of the Dominion Government's opposition to trading with Soviet Russia. Aluminum Co. of Canada would not be adverse to accepting the business (negotiations for a substantial order of aluminum goods having had to be passed up before when the Dominion enforced an embargo); Amtorg could hardly take the initiative, much as they wanted the aluminum, when the Soviet Government had placed an embargo against trading with Canada, while the Quebec Government would undoubtedly like to see the business coming to the province as it would provide a considerable amount of work at Arvida, where operations have not been too active of late.

Whether or not the negotiations will be successful depends upon the attitude taken by the Federal Government. In view of the change in industrial conditions over the past year, it may be deemed advisable to lift the embargo. If it is not lifted then the business will go elsewhere.

Emil Sauer Promoted to Ontario Consulate

The American consulate at Toronto was informed by the Department of State at Washington on December 30 that this office would be made the supervisory consulate general of the United States for Ontario, effective January 1, 1932. Advice has now been received that the presidential nomination of Emil Sauer as consul general has been ratified by the Senate, and it is understood that he will remain at Toronto in charge of the office.

Mr. Sauer has been in Toronto as American Consul since 1925. His staff of twenty-four includes two consuls, four vice consuls and an officer of the United States Public Health Service. The supervisory jurisdiction includes the American consulates at Kingston, Hamilton, Niagara Falls, Windsor, London (Ontario), Sarnia, Sault Ste. Marie, North Bay and Fort William-Port Arthur.

Canada Dry Initiates New Series of Air Programmes

Canada Dry Ginger Ale Inc. has commenced a series of half hour radio programmes from 13 stations covering the eastern and middle west United States and Canada. There will be 13 programmes in the series, one each week, starting January 11. Two Canadian stations, CKGW and CFCF will be included in the network and the programmes will consist of dramatizations of actual experiences of the Royal Canadian Mounted Police.

The series is essentially a test of radio as a publicity medium for the company and shareholders have been advised by letter of the series.

Lord Nelson Bondholders Approve C. P. R. Guarantee

From Our Own Correspondent

MONTREAL.—Bondholders of the Lord Nelson Hotel, Halifax, have approved the proposal whereby the Canadian Pacific Railway guarantees the bonds with the stipulation that the rate of interest is reduced from 6½ per cent to 4 per cent. Bondholders also waived sinking fund payments falling due in November, 1931, and November, 1932. The bond issue totals $600,000.

Imperial Oil Worked On Narrowest Margin

Imperial Oil in 1931 worked on the narrowest margin in its history, according to the leading article in the December number of The Imperial Oil Review just issued. By virtue of careful economies, the company was able to carry on without important curtailment of expenditure in Canada or reduction of payrolls.

Imperial Oil Review also states that the spread between crude and finished products in Canada contracted almost to vanishing point. Foreign refiners continued to unload finished products at insolvency prices. Surplus stocks of oil accumulated in United States. On top of troubles Provincial Governments talk of increasing gasoline taxes because it is an easy tax to collect. However, with the help of foreign earnings it is expected that the annual statement will show the 50 cent dividend on the common stock to have been earned.

FOOD COMPANIES DID WELL IN 1931, EXPECT INCREASE

Exchange Gives Canned Tomatoes Opportunity on U. S. Market

The Canadian Grocer, in its current number, finds in a survey of the food industry that most executives except increased business in 1932. Though prices have been down, many companies report increased tonnage volume of business in 1931 and state that at present inventories among manufacturers, wholesalers and retailers are either normal or sub-normal. Prices of raw materials are regarded as being on the bottom, requiring little to cause an upward movement.

Show Improvement

The last quarter of 1931 especially gave reason for hope. A salt company states value of output increased 10 per cent and tonnage 3.5 per cent; a large cereal company had business equal to same period in 1930 and expects improvement; a beverage manufacturer had an 18 per cent increase over the last quarter of 1930 and thinks 1932 will show further improvement; a soap company reports a 28 per cent increase in volume with better prospects for 1932; biscuit companies have reduced prices but expect slow improvement in 1932; a manufacturer of evaporated and condensed milk had an increase in 1931 over 1930 business in both dollar and sales volume; and a wholesale grocery firm had similar volume to 1930 but lower dollar value and hopes for better things before 1932 is ended.

Canners May Benefit

In another article Canadian Grocer points out that the exchange rate on the Canadian dollar cancels the 50 per cent duty in great part and that it is now possible to ship from Canada's surplus to the United States where supplies in 1931 were moderate. United States buyers can buy standard 2½'s f. o. b. factories, Western Ontario, at 60 cents per dozen. The 50 per cent duty would bring this to 90 cents but the discount on the Canadian dollar at present tends to reduce the duty from 50 per cent to an effective 33 1/3 per cent. In other words, excluding freight, the Detroit buyer could buy at 80 cents or less with the American dollar and Detroit quoted prices are from 90 to 95 cents per dozen for 2½'s and more than 95 cents for 3's. An advantage of from 5 to 7½ cents a dozen is enough to permit exports.

Cosgrave Sales Gained 11 p.c. on Previous Year

Sales of Cosgrave Export Brewery Co. in the year ended October 31, 1931, were 11 per cent above sales in the previous year according to James F. Cosgrave, president of the company, at the annual meeting held January 11. The annual statement of the company showed net earnings for the past fiscal year at $68,023 against $47,240 the previous year.

Since October 31 the mortgage against the company's property has been reduced to under $50,000 while the company has spent $23,000 on plant. In the current year a larger ice-making machine will be installed which is expected to effect economies equal to cost. With no bank loans the company was stated to be in a good liquid position with sufficient cash to take care of expenditures during the winter when sales are at the lowest point in the year. Directors and officers were all re-elected.

CENTRAL CANADA REPORTS PROFITS OF $13.41 IN 1931

First of Trust and Loan Statements Shows Drop of 14 p.c.

Net earnings of $13.41 per share as compared with $15.71 in 1930 are shown in the annual report of Central Canada Loan & Trust Co., the first of the Canadian trust and loan companies to publish its annual statement for 1931. Net earnings for the year, after taxes, depreciation and other charges were $335,359 or 14 per cent below the 1930 figure, while total assets were lower by 7 per cent at $11,308,857.

The only appropriation from income and surplus account was $300,000 for the regular 12 per cent dividend and $50,000 for a 2 per cent bonus payable Jan. 2, 1932, which compares with 3 per cent paid as bonus in 1930. It was necessary to use previous surplus account to the extent of $14,641 to meet dividend and bonus requirements. Details of income and surplus accounts are as follows:

Income and Surplus Account
Years Ended Dec. 31

	1931	1930
	$	$
Net profits†	335,359	392,634
Less appropriations:		
Dividends	300,000	300,000
Bonus	50,000	75,000
Surplus for year	*14,641	17,634
Add: Prev. surplus	151,320	133,686
Balance forward	136,679	151,320

†After deducting all management and other expenses, interest on deposits and debentures, and making provision for all losses, taxes and donations. *Deficit.

Earn. per Share and Divid. Record:		
Earned	$13.41	$15.71
Paid: Dividend	12.00	12.00
Bonus	2.00	3.00
Equity per Share‡	$189.47	$190.05

‡Based on total assets less liabilities to the public, dividends and bonus payable.

Shares Outstanding	25,000	25,000

The decline in assets is largely attributed to substantial withdrawals of savings deposits to meet subscriptions to the recent National Service Loan, savings deposits at the end of the year standing at $4,712,540, a decline of $683,000 or 12 per cent from the 1930 figure. Liquid position continues strong, the ratio of quick assets to savings deposits being 76 per cent. This ratio was over the 95 per cent mark in 1930, due to heavier holdings of call loans which were higher at that time by $1,200,000. Reserve fund remains unchanged at $2,100,000, while the company's debentures held by the public are slightly lower at $1,734,638 as compared with $1,836,907 a year ago. The company will hold its annual meeting on January 20.

PARENT COMPANY DOMINION GAS IS INSOLVENT

International Utilities Still Has Large Interest in Former Subsidiaries

American Commonwealths Power Corporation, which controls Dominion Gas & Electric Co., has admitted insolvency. No statement has been made which would indicate that this will have an effect on the fortunes of Dominion Gas & Electric Co., its Canadian subsidiary, and it is not thought that bondholders would be affected. The direct cause of the company being placed under a receivership was American Commonwealths' inability to meet $5,000,000 maturing January 2, 1932. This amount was lent by Dillon, Read & Co. and U. S. and International Corp., and they hold ample collateral.

Holdings of American Commonwealths Power Corp. in first preferred, second preferred and common stock of Dominion Gas & Electric would be part of the assets held by receivers. The receivership is stated to be friendly with the intention of reorganizing. Bondholders are expected to reorganize for protection and first preferred shareholders have already formed a protective committee.

Considerable interest in the situation is aroused among shareholders of International Utilities Corp. because Dominion Gas & Electric bought from International Utilities Corp. on October 14, 1930, the latter's Canadian subsidiaries consisting of Canadian Utilities, Canadian Western Natural Gas, Light, Heat & Power Co., Edmonton Utilities, Gas Production and Transportation, Nanaimo Electric Light, Heat & Power Co., Northwestern Utilities, Union Power Co. and Duncan Utilities, Utility Shareholdings Corp. Ltd., the company formed by International Utilities Corp. to handle details of the sale, received about $15,000,000 in cash and securities for the properties.

P. M. Chandler, president International Utilities Corp., told shareholders in October, 1931, that an asset in the financial statement for 1930 of $9,819,703 consists "largely of securities of Dominion Gas & Electric acquired in connection with the sale to that company of our former Canadian subsidiaries." He added that "a considerable part of the last mentioned investment is under contract of sale to bankers."

From unofficial sources comes the opinion that International Utilities Corp. would not object if Canadian subsidiaries came back on its hands again.

There is considerable doubt that arrangements with bankers were concluded for sale of securities as market has not been propitious. International Utilities therefore regarded as still having a large interest in its former subsidiaries. After sales of former properties it was expected that International Utilities would figure in future more as an investment trust company holding stocks of public utilities than as a parent company drawing income from operating subsidiaries. Apparently there has been a trend back to the old business with International Utilities once more getting control of public utility companies as distinct from a mere investment interest.

About Appendicitis

In the presence of unrelieved abdominal pain
1-Give no food, water or medicine
2-Never give laxatives
3-Call your Doctor

Recently a letter came to us from a mother who had lost a fine, strong boy of twelve from acute appendicitis. She wrote, "If I had run across just one article on appendicitis I feel sure we would not have had this sorrow. An advertisement of yours would save many, many lives. Please give this your earnest consideration."

Because her request voices a widespread desire to know what to do when appendicitis attacks swiftly, this announcement is published.

The deathrate from appendicitis has steadily increased during the past ten years. But it will be reduced and reduced rapidly when people learn what to do and particularly what not to do in case of an attack.

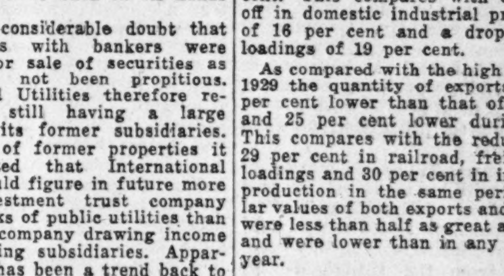
The symptoms of appendicitis vary. But almost always, continued pain and tenderness in the abdomen are the first indications of an acutely inflamed appendix.

There are two most important things to remember in event of an attack of acute appendicitis:

First:—Never use a laxative to relieve acute abdominal pain. If the pain means appendicitis, a laxative, instead of relieving the condition, is likely to spread the inflammation, to cause the appendix to burst or to induce peritonitis.

Second:—Send for your doctor immediately. In making his diagnosis he may decide that no harm will come from taking time to make a blood test to confirm his opinion. He may say that the attack can be relieved without operating. Or he may order an operation in the shortest possible time.

Performed without delay, by an expert, an operation for appendicitis is almost always successful. Be sure to consult an experienced and skilful surgeon because many needless operations have been occasioned by incorrect diagnosis.



METROPOLITAN LIFE INSURANCE COMPANY
FREDERICK H. ECKER, President
CANADIAN HEAD OFFICE • • OTTAWA, CANADA

U. S. Foreign Trade Takes Big Slump

Official government estimates place foreign trade of the United States in 1931 at approximately $4,500,000,000 compared with over $6,900,000,000 in 1930. Exports fell 37 per cent in value from $3,843,000,000 in 1930 to about $2,425,000,000 in 1931. Imports in the same year declined 30 per cent from $3,061,000,000 to $2,100,000,000. The decline in physical volume was not so great, exports dropping only 20 per cent on this basis and imports 10 per cent. This compares with a falling off in domestic industrial production of 16 per cent and a drop in carloadings of 19 per cent.

As compared with the high levels of 1929 the quantity of exports was 35 per cent lower than that of imports and 25 per cent lower during 1931. This compares with the reduction of 29 per cent in railroad, freight carloadings and 30 per cent in industrial production in the same period. Dollar values of both exports and imports were less than half as great as in 1929 and were lower than in any post-war year.

No mention is made of the exact decline in U. S. trade with Canada, but it is pointed out the declines in exports were largest in the case of Oceania with a 62 per cent drop, South America with 52 per cent and Latin North America with 46 per cent. Exports of the United States to Asia were down 19 per cent while for all Europe the decline was 36 per cent. The drop in exports to the United Kingdom was 34 per cent.

Return of the Chartered Banks of the Dominion of Canada, November 30, 1931

LIABILITIES

NAME OF BANK	Notes in Circulation	Balances Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% Last dividend	*Loans to Directors, and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	36,967,070	42,921,380	15,000,000	4,795,514	148,036,993	387,540,628	62,624,315	2,369,835	1,240,828	9,272,129	247,979	9,205,507	1,941,054	1,086,705	38,000,000	36,000,000	797,249,943	50,000,000	36,000,000	12	3,738,505	27,643,110	45,309,281	39,001,130
Nova Scotia	13,181,929	13,657,636	....	526,050	34,152,702	127,357,974	30,875,209	1,774,773	104,176	2,203,050	161,597	4,551,837	137,111	7,016	24,000,000	12,000,000	264,691,063	15,000,000	12,000,000	16	2,533,638	9,227,264	9,146,981	13,726,389
Toronto	6,691,889	3,519,214		1,026,798	29,346,552	66,912,138		289,778	175,132	1,147,299		1,190,096	190,918	180,853	9,000,000	6,000,000	125,670,670	10,000,000	6,000,000	12	1,480,759	352,770	7,283,650	7,241,044
Provinciale	3,903,441	1,439,400	2,000,000	43,229	4,983,313	34,698,414				26,843		15,759	44,341	94,666	1,500,000	4,000,000	52,749,408	5,000,000	4,000,000	9	644,151	239,597	519,122	4,406,864
Commerce	26,352,721	16,594,621	15,000,000	3,841,266	140,198,495	283,503,729	54,949,832	1,188,766	2,069,354	23,204,580	64,618	12,374,264	....	907,486	30,000,000	30,000,000	640,249,737	50,000,000	30,000,000	12	8,309,370	18,402,000	21,158,000	28,573,588
Royal	33,237,097	18,647,654	20,000,000	3,749,828	183,224,660	273,542,920	168,138,011	836,763	358,813	16,297,066	3,121,924	28,966,506	367,360	1,058,723	35,000,000	35,000,000	821,547,331	50,000,000	35,000,000	12	3,719,053	12,956,757	11,576,933	36,269,273
Dominion	6,556,320	5,044,483	3,000,000	454,537	28,708,646	63,447,659	2,119,767	817,981	134,938	878,133		1,517,653	446,631	1,116	9,000,000	7,000,000	129,127,870	10,000,000	7,000,000	12	1,673,870	1,001,000	3,049,000	6,925,233
Nationale	9,797,994	4,626,226	8,000,000	2,080,013	19,911,148	88,299,136	1,501,065	744,221	31,906	475,601		360,458	....	177,305	7,000,000	7,000,000	150,005,077	10,000,000	7,000,000	12	687,944	890,727	1,688,605	10,920,959
Imperial	8,573,295	6,443,605	3,000,000	1,564,024	27,679,204	69,664,783	....	1,887,147	108,917	1,362,408		591,959	....	2,185	8,000,000	7,000,000	135,877,530	10,000,000	7,000,000	10	260,753	439,741	3,484,629	9,051,280
Barclays (Canada)	271,475	218,841	....	....	796,942	861,743	....	146,772	1,517,641	498,762		168,770	....		500,000	500,000	5,480,948	500,000	500,000	12	....	13,535	11,122	303,440
Total	145,533,231	113,113,060	66,000,000	18,081,259	617,038,655	1,395,829,124	320,208,199	10,056,036	5,741,705	55,365,871	3,596,118	58,942,809	3,127,415	3,516,055	162,000,000	144,500,000	3,122,649,577	210,500,000	144,500,000	......	23,048,043	71,166,501	103,227,323	156,419,160

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	27,954,566	43,544,516	3,618,284	308,037	33,531,128	3,642	1,211,333	22,707,123	179,826,098	62,608,369	10,767,642	8,235,281	24,364,908	267,606,275	22,205,972	15,103,493	35,174,006	3,034,996	380,404	1,319,441	14,500,000	9,205,507	1,692,109	7,000,000	1,573,949	121,573	797,598,865
Nova Scotia	9,245,113	7,985,470	1,188,482	1,663,863	9,014,411	....	247,675	5,758,745	40,914,394	15,364,457	10,279,085	24,796,871	5,255,049	89,093,761	15,020,536	1,111,934	10,138,522	959,728	....	117,343	8,389,252	4,551,837	561,885	2,000,000	2,696,619	88,058	266,443,102
Toronto	355,825	8,838,580	678,735	27,389	6,797,219		191,033	1,445,607	25,930,736	7,401,754	2,137,366	6,378,177	....	53,420,051	....	....	5,301,024	243,965	....	30,949	3,805,525	1,190,096	297,673	1,630,866	....	....	126,102,578
Provinciale	239,471	2,069,724	635,365	31,340	1,840,965	418,611	350	44,538	9,149,566	5,598,720	3,728,626	5,861,872	....	18,323,740	....	....	1,559,068	152,905	458,647	496,401	2,189,389	15,759	198,500	....	....	222,705	53,216,289
Commerce†	19,835,044	39,470,288	1,991,150	1,111,990	19,723,937	39,121	648,661	21,626,235	99,031,313	20,008,153	11,348,699	40,682,167	44,385,183	208,519,523	20,244,792	12,925,176	31,275,450	2,337,675	2,263,698	2,084,356	15,325,188	12,374,264	1,250,000	8,000,000	3,935,392	347,953	640,785,420
Royal‡	27,530,855	39,169,403	3,378,737	15,842,986	25,329,297	3,144	1,934,845	34,097,621	85,473,058	24,641,816	11,935,404	39,137,268	37,156,111	274,183,425	124,581,388	3,869,866	13,522,928	3,187,434	2,163,752	901,177	17,277,976	28,966,506	1,700,000	3,000,000	6,172,799	544,628	825,702,436
Dominion	992,510	3,604,476	947,820	59,445	5,690,448	....	121,820	1,205,542	19,957,788	4,968,453	2,902,789	13,118,754	1,585,650	62,331,383	1,588,790	....	2,539,660	401,002	50,296	15,641	6,090,154	1,517,653	330,000	200,000	....	181,552	130,401,607
Nationale§	875,332	5,437,593	939,485	47,688	5,199,301	599,439	20,193	884,063	23,160,930	8,879,688	3,309,097	9,825,208	....	63,456,029	104,274	6,802,120	9,929,557	248,970	960,248	752,571	5,966,727	360,458	355,283	2,000,000	....	95,982	150,210,246
Imperial	568,081	3,468,159	934,555	22,008	6,689,968	789,940	218,380	1,920,063	23,694,683	5,527,032	183,422	8,762,792	....	63,428,055	....	2,236,762	8,691,957	322,115	144,581	500,504	6,307,939	591,959	417,935	1,550,000	....	120,895	137,111,794
Barclays (Canada)	14,002	59,470	19,075	998	372,020	1,372,416	1,700	443,933	625,160	124,438	10,950	98,100	....	2,130,937	....	....	....	4,952	....	....	....	168,770	11,424	....	....	....	5,458,351
Total	87,610,799	153,647,679	14,331,688	19,115,744	114,188,694	3,226,313	4,595,990	90,133,470	507,763,726	155,122,880	56,603,050	156,896,490	112,746,901	1,102,493,179	183,745,752	42,049,351	118,132,172	10,893,742	6,421,626	6,218,383	79,852,150	58,942,809	6,814,809	25,380,866	14,378,759	1,723,346	3,133,030,468

Column No. 26. Of this deposit $11,030,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

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News of Investment Markets

BORDER CITIES NOW IN DEFAULT WILL SEEK AID

Provincial Legislation to Be Asked at Next Session

TAX ARREARS HIGH

Debenture Debt of 5 Municipalities Will Need Adjustment; Extend Maturities

Special provincial legislation will be necessary in Ontario to assist certain of the Border Cities, which are in financial difficulties. It is understood, however, that no definite recommendations have as yet been drafted. Provincial authorities have been closely in touch with the situation and the legislation coming before the next session of the legislature is expected to provide readjustment of debenture debt in certain cases. Readjustment appears to be necessary in East Windsor, Riverside, Township of East Sandwich, Township of West Sandwich and in Tecumseh, all of which are in default.

The positions of the Border Cities vary considerably, with Walkerville in a comparatively strong position. In the case of Windsor, it is estimated that three years of economy will place the city in an absolutely sound position, while assurance has been given that the city will meet all its obligations in 1932. The town of Sandwich, with a population of 10,000, an assessment of $15,000,000 and a debt of $3,500,000, has collected only 60 per cent of 1931 taxes, but with special effort in collection it is believed that the town can keep out of difficulty.

East Windsor Acts

Conditions in the defaulting municipalities are considered as being far from satisfactory. Rapid development or over-expansion caused large increase in debenture debt which is out of proportion to population. Amounts of maturing obligations up to 1936 are high and in certain cases cannot be met. In some of the municipalities land was bought by outsiders as a speculation and collection of taxes is difficult.

Chief of the defaulting municipalities is East Windsor, with a population of some 14,400, an assessment of $22,000,000 and a debt of $4,500,000. The 1931 tax roll amounted to $1,100,000, of which slightly more than half was collected. Bank loans amount to $1,400,000. Debenture obligations will have to be adjusted and this may involve refinancing of all capital obligations and deferment of payment of debt. A budget is being drafted for the city covering the next ten years, while negotiations at present under way may result in payment of interest charges due to the end of 1931.

Riverside, also in default, has a population of 4,600, assessment of $6,000,000 and total debt of $2,750,000. Collections in 1931 amounted to 37 per cent of the tax roll. Efforts are being made to increase collections and reduce expenditures but debenture debt will have to be readjusted to provide retirement over a longer term of years.

In the case of Tecumseh, interest could be met if principal payments were spread over a longer period. With a population of some 2,500, assessment is $2,000,000 and debt amounts to $425,000. Tax collections in 1931 are about 40 per cent of the roll, while arrears amount to more than one year's taxes.

Makes Special Levy

The township of West Sandwich, with a population of 2,700, has just struck its tax rate for 1931 and has imposed a special 14 mill levy to cover defaults created through uncollected taxes. Land speculators are in large part the cause for tax arrears with 7,000 acres being subdivided into 50,000 lots of which only 100 lots were built upon. Expenditures on roads and improvements amounted to some $2,400,000 and nothing has been realized from tax sales.

The township of East Sandwich is also in default. With a population of 4,774 and an assessment of $5,000,000 tax arrears amount to $704,229, of which it is estimated that only $280,208 is collectible. On a levy of $388,999 in 1931 there were arrears of $307,799 at the end of November, 1931, while arrears on prior years amounted to $396,430. Highest percentage of collections in the past five years was in 1926 when 49 per cent of the levy was collected. Debenture debt amounts to $1,915,707 due up to 1952. A large proportion of the sub-divisions must be converted back into farm lands.

Will Pay All Debts

Economies in all the civic spending bodies of Windsor for 1932 will reduce operating expenses by approximately $800,000, according to David A. Croll upon entering his second term as mayor of Windsor. He predicted that tax collections, which in 1931 were but 60 per cent of the levy, would reach 70 per cent in 1932 owing to better methods of collection which have been instituted, and that collections of arrears during the year would bring the total receipts for 1932 up to the equivalent of the full year's levy.

Mayor Croll declared emphatically that all of the city's debenture obligations would be met as and when they fell due, as to both principal and interest, while the economies instituted would enable the city to pay off about $500,000 of the bank loan, which stood at $2,500,000 at January 1, 1932, and reduce the mill rate from 37 to 34½ Estimate of collections and expenses during 1932 was based upon no improvement in economic conditions.

A start is to be made in 1932 to reduce assessments, which in many cases are out of line and a hindrance to business and industry. It is believed that two or three years of continued economy, with no capital expenditures, would completely solve the city's financial problem.

There has been no default on City of Windsor debentures, of which over $15,000,000 are outstanding, nor will there be, he said. Last year Windsor paid off $1,123,000 of debentures which then fell due.

Stopping Arbitrage Means Heavy Loss

Brokers on Canadian stock exchanges believe ban on purchase of securities outside Canada has reduced volume of transactions by one-third. The actual arbitrage business may not have been more than 5 per cent of the total transactions in the past but interlisted stocks were more active through being tied up with great world movements in buying and selling, which stimulated local purchases. At present local investors are acting as though they consider this ban has placed a minimum price on interlisted stocks and are refraining from buying.

Brokers therefore suffer from the fact that trading has dried up in the important stocks, which still have minimum prices and still more from the fact that the securities ban is drying up interest in interlisted stocks which still remained on the free list. Buyers naturally want to get the benefit of the world price, whatever it happens to be. This again throws business to outside brokers who do not feel bound as members of reputable exchanges do.

B.C. SESSION WILL CONSIDER MORE ECONOMY

Curtailed Grants to Municipalities is Chief Source

From Our Own Correspondent

VANCOUVER.—Severe economy will be the watchword of the British Columbia legislature at its session commencing early next month, for with revenues declining the government will be compelled to cut down expenditures wherever it can be done.

The provincial government started the current fiscal year with the largest programme of expenditure in its history. The figure was approximately $29,000,000. With a view partly to offsetting the increase, the 1 per cent income tax was brought into effect at the beginning of last year. It was hoped to raise $2,500,000 from this levy, but the actual returns have been far less than that, and in addition there has been a decline of about $1,000,000 in the ordinary income taxes.

Revenue Down $2,500,000

General revenue of the government this year is expected to be about $2,500,000 less than estimated at the beginning of 1930. The government has endeavored to effect certain economies by reduction of staff, but so far this will result in the curtailment of expenses by only about $500,000.

The chief hope of the government lies in the curtailment of grants to municipalities, but it will not be possible to do this without facing strenuous opposition from the municipalities, which have already commenced to organize a campaign to defeat the object of the government. A rental tax for municipalities may be authorized by the government partly to offset the loss of grants, which have been derived chiefly from liquor profits and parimutuel earnings.

The British Columbia budget of expenditure for the 1931-32 period is as follows:

Agriculture	439,450
Public debt	5,459,742
Legislation	125,000
Premier's office	17,362
Attorney General	3,325,710
Education	4,737,110
Finance	1,720,515
Fisheries	36,460
Labor	699,502
Lands	1,464,984
Mines	279,601
Provincial Secretary	3,147,993
Public Works	3,323,050
Railways	76,918
Capital Account	3,225,582
Executive	1,000
Total	$28,080,030
Supplementaries	994,583
Supply Bill	$29,074,613

Service Stations May Buy Tennent's Steel Containers

It is understood that Service Stations has concluded negotiations for obtaining control of Tennent's Steel Containers, Granville Island, B.C.

Tennent's Steel Containers has manufactured all kinds of service station equipment in the past including oil tanks. If papers are signed this subsidiary will look after Pacific Coast business of Service Stations.

BUT FEW CITIES TRY TO EVADE EXCHANGE RATE

Advantage Not Taken of Ambiguous Wording on Bonds

Premium on New York funds may cost Canadian Governments and municipalities up to $10,000,000 on interest charges alone in the first six months of 1932 should the present rate continue during that period. With maturing obligations payable in New York amounting to some $285,000,000 in principal amount during 1932 the cost of exchange on this item will be a major expense which taxpayers may have to meet. Few Canadian municipalities, however, have sought to to evade such payments although there are always a certain number of minor cases at any period when such a high premium prevails on U.S. funds.

Many Canadian municipalities and governments have sterling debentures payable in London, Eng., and in Canada and a material saving could be effected if payment was made in sterling which is now at a discount. Payment in practically all cases, however, is being made at par of exchange rather than at prevailing rate of exchange.

Oak Bay and Port Arthur

With prevailing exchange rates many Canadian municipalities with bonds payable in either currency are faced with the temptation of taking advantage of any ambiguity in wording of the bond that might permit payment to be made at a considerable saving. While a few municipalities have taken action along this line others, that could readily do so, have continued to live up to the spirit of the contract and thereby have enhanced their credit.

The municipality of Oak Bay, B.C., decided late in December to pay interest on its debentures in Canadian dollars both in Canada and in New York. Action was taken after consideration by the solicitors for the municipality. In the undertaking it was set out that interest was payable in New York while the statement was also made that debentures were "payable in lawful money of Canada."

Port Arthur had a $200,000 issue of sterling debentures maturing on January 1 payable in sterling in London, Eng., and Toronto. By resolution of the city council it was decided to pay off principal at the rate of exchange prevailing on the due date and the city thereby saved a considerable sum due to discount on the pound sterling. This is parallel with the situation existing in 1919, 1920 and 1921 when certain Canadian municipalities which had issued sterling debentures, stated to be payable in Canada, took the stand that they should only pay the current rate of exchange instead of par of exchange.

Collingwood's Case

Another case involves the town of Collingwood which has guaranteed the bonds of Imperial Steel & Wire Co. The face of the bond states that principal is payable in gold in Canada and New York while the interest coupons state interest is payable in lawful money of Canada. The town takes the position that, if a claim is made on it under its guarantee, it will be liable to pay in Canadian funds only. While this position may not be maintained, the ambiguity in the wording of the bond and attached coupon is interesting but has been settled by judicial authority which recognizes the coupon as part of the bond itself and interest is payable in the same manner as principal.

Might Make Savings

Investment bankers feel that Canadian municipalities should observe the spirit of the contract and in the interests of their own credit should not seek to benefit through ambiguous wording of the bonds. It is admitted, however, that in a number of cases the municipalities would be strictly within their legal rights and that appreciable savings might be made. A number of Canadian cities have sterling debentures outstanding but with very few exceptions payment is being made in Canadian funds where there is any doubt.

Vancouver Collections

Vancouver tax collections totalled $10,956,516 in 1931, an increase of $377,696 over 1930 collections, which amounted to $10,578,820. Totals include both current taxes and arrears. The levy for 1931 was $513,000 greater than in 1930. Water rate collections for 1931 amounted to $1,208,949, an increase of $42,323 over the previous year.

Bond Tenders

6 o'clock, Jan. 15, Town of Dorval, Que.—$60,000, 5½ per cent, filtration plant bonds, dated Nov. 1, 1931, redeemable serially from Nov. 1, 1932 to Nov. 1, 1961. H. Meloche, sec.-treas.

Jan. 16, noon, United Counties of Leeds and Grenville, Ont.—$250,000, 5½ per cent, 10 installment debentures. Payable Brockville, Ont. Purpose: $187,286 for provincial highways; $140,382 for county roads. William Holmes, county treasurer, Brockville, Ont.

4 o'clock, Jan. 18, City of Cap de la Madeleine, Que.—$7,700, 5½ per cent bonds, dated Jan. 2, 1932, redeemable serially from Jan. 2, 1933 to Jan. 2, 1952, payable at Banque Can. Nationale, at Montreal, Quebec, Three Rivers and Cap de la Madeleine. R. Rocheleau, clerk.

Jan. 18, noon, Luceville Village, Que.—$6,100, 5 per cent bonds dated May 1, 1931. Redeemable serially from May 1, 1949 to May 1, 1956. J. Cote, sec.-treas.

1 p.m., January 16, County of Lennox and Addington, Ont.—$26,000, 5 per cent debentures, dated Dec. 15, 1931, maturing in 10 installments. Denominations $500 and $1,000. Interest payable annually at Napanee. Debenture debt at Dec. 31, 1931, including present offering, $459,702; assessed value for taxation in 1931, $9,637,295; population, 16,818; area, 1,170 sq. miles. Tenders to be addressed to Wilfred S. Wilson, county clerk, Napanee, Ont.

Toronto Stock Exchange Asks Quarterly Reports

President Urges All Companies Whose Stocks Are Listed to Give Frequent Information to Shareholders in 1932 Through Medium of Exchange

The Toronto Stock Exchange is urging every company whose stocks it lists, to furnish quarterly reports during 1932. The letter, dated January 12, 1932, which inaugurates this needed reform, is signed by the President, Colonel Geo. G. Mitchell, and it has attached five closely type-written pages of excerpts from many Canadian newspapers making strong pleas that such a service to investors should be inaugurated.

More Information Wanted

The official letter from the Toronto Stock Exchange reads as follows:

"The larger participation of recent years in stock ownership has created a demand for more frequent information regarding company affairs than is at present given by the majority of Canadian companies in the annual report.

"The Toronto Stock Exchange believes that many advantages accrue to the companies who issue quarterly or monthly earnings reports, and while there was no requirement in respect to this matter at the time the shares of your company were listed, it is felt that the changed conditions warrant your consideration of the subject. On most of the leading stock exchanges, it is now compulsory to issue interim statements from the time of listing.

"The suggestion has been made that one of the objections of Canadian companies to quarterly reports lies in the fear that the figures of one quarter would be taken as indicative of the earnings to be expected for the following quarter. To meet this objection we suggest that figures for a full year ending with each quarter be given. In any case we feel that the public are sufficiently informod to appreciate that some companies have businesses of a seasonal nature and will make due allowance for variations in earnings from this and other causes.

"That the demand for additional information is very general is evidenced by the editorial comments appearing in financial publications and daily newspapers throughout Canada. We have accumulated some of these comments and attach herewith a few excerpts.

"We urge that you take steps to have quarterly reports furnished during the ensuing fiscal year. These may be sent to our statistician, who will arrange for proper publicity. We will be pleased to hear from you on this subject."

The Financial Post has for a number of years suggested that such a measure as this should be put in force. Stock exchanges have been willing but company executives have feared quarterly figures might be deceptive. Col. Mitchell's letter shows how to get over that difficulty.

Doubly Needed Now

The Financial Post opinion which among others has been forwarded to all companies whose stocks are listed on the Toronto Stock Exchange in the current circular clearly expresses the prevailing view in investment circles as follows:

"Canadian stock exchanges should follow the course adopted on most leading stock exchanges of the world by requiring quarterly reports of earnings from the companies whose stocks they list. Financial statements twelve months apart do not give shareholders the real chance to follow the fortunes of companies in which they are partners.

"Much may happen in a year and a paucity of information about a company opens the way for fluctuations in market valuations of its securities due to rumors and gossip which otherwise would have had little effect.

"Those companies in Canada which are supplying quarterly and even monthly statements for the benefit of shareholders have held the confidence of the public to a degree much greater than those which have been satisfied with meeting the minimum requirements of listing. These stocks, like all others have shown considerable declines in the last two years but they have shown a steadiness on the whole much greater than those of companies whose statements come only once a year.

"In a time of adverse business, anxiety of shareholders with regard to their earnings is greater than in ordinary times, and this is therefore a better time than any other to inaugurate the policy of greater frankness which is inherent in regular quarterly or monthly statements.

"When the New York Stock Exchange first made it obligatory on companies whose stocks were listed with it to supply quarterly statements, objections were made that this would give valuable information to competitors, that it would mislead shareholders because with a business largely seasonal, one quarter was bound to differ widely from the immediately preceding one at times and that it was impossible to get a quarterly survey which would give a true picture. After years of supplying quarterly statements most United States companies are converts to the idea that frequent information to shareholders is just to the latter and beneficial to the company.

"To increase the confidence of Canadians in Canada and to lead to a greater investment by Canadians in their own companies, frequent earnings statements are a necessity. Minor objections should give way to the larger benefits."

U. S. SENATE PROBES FOREIGN FINANCING

Profit Not Considered Too Great on Canadian Issues

Defaults on foreign bonds held in the United States amount to over $815,000, according to a list issued by the Senate Finance Committee in Washington which is investigating flotations of foreign bond issues by leading banking firms in the United States. The total includes arrears of sinking fund payments and interest and consists entirely of South American government, state and municipal issues. Federal issues in default consist of bonds of Bolivia, Brazil, Chile and Peru.

The investigation by the Senate finance committee has brought forward testimony from heads of all the prominent underwriting houses responsible for floating foreign bonds in the United States. Canadian issues are included in the list but Canadian investment bankers do not consider that undue profits were taken on these issues as a whole. Chase Securities Corp. originated or participated in Canadian issues to the total of $526,200,000 from 1921 to 1930 and report a gross profit of $727,000.

National City Co. had net profits of over $29,000,000 on Canadian issues totalling $406,390,000 issued over a period from 1920 to January, 1931. Largest net profit was $371,827, on an issue of $50,000,000 5 per cent first mortgage bonds of Abitibi Power & Paper Co. issued in 1928. On a $3,000,000 issue of Alberta bonds issued in 1922 net profit was only $90. Second only to the Abitibi profit was a net profit of $188,239 on a $12,000,000 issue of Duke-Price Power Co. made in 1924. On an issue of $30,000,000 of Ontario bonds made in January, 1931, the National City Co. made a net profit of $6,474.

Edmonton Bank Loan is About $1,000,000

Edmonton is reported to have an overdraft with the Imperial Bank amounting to some $1,000,000 of an original loan of $1,200,000 for which debentures of the city were put up as security. Interest is being charged by the bank at the rate of 5½ per cent. The loan was necessitated because of the impossibility of the city selling a bond issue under prevailing market conditions.

Tax collections in Edmonton in 1931 totalled $4,047,395, an increase of $76,453 over 1930 collections. There was an increase in the amount of land taxes collected, $3,113,219 against $3,078,013 in 1930. Arrears collected increased from $71,813 to $518,438. Business taxes at $261,753 were somewhat lower than in 1930. Service tax assessments at $53,667 and arrears of $10,307 were slightly under 1930 totals. While the total of tax collections increased the percentage of collections to levy was somewhat lower than in 1930. Gross levy in 1931 was $4,299,762 against $4,062,303 the previous year.

Starts New York Bond Firm

Morris E. Knight, formerly vice-president of E. H. Rollins & Sons, Ltd., has joined with J. W. Hunter to form the firms of Knight & Hunter for the purpose of transacting municipal bond brokerage business in New York City.

Bond Redemptions

Offerings are being asked of the 6 per cent first mortgage bonds of Canadian Locomotive Co. for sinking fund purposes. The trustee, National Trust Co., Toronto, will purchase $27,000 of these bonds and will receive offerings up to 10 a.m. on January 18.

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Interlake Tissue Mills	*6%	1935	Feb. 1	101
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Foreign Issues—				
City of Oslo, Norway	5½%	1946	Feb. 1	100

*Called in part.
†Or before.

OSHAWA BUILDINGS MAY REVISE CAPITAL

Interest Passed—Bondholders to Get Cash and Other Security

Following a period of poor earnings due to business conditions in Oshawa which have affected rentals, Oshawa Buildings Ltd. failed to meet interest due January 2 on the $235,000 of 6½ per cent first mortgage bonds outstanding. Bondholders have been notified that some plan of capital re-organization is proposed and is being worked out at the present time. It is understood that it will not be possible to hold a meeting of bondholders to consider the plan until early in March.

The company was financed early in 1928 with the offering of $235,000 of 6½ per cent first mortgage sinking fund bonds due in 1943. No bonds have been retired. Property owned consists of five buildings in Oshawa, Ont., of which one is entirely devoted to stores and offices, three are apartments and another has 18 apartments and two stores. In addition to the bonds there is some $25,000 of preferred stock and 5,000 shares of common stock outstanding.

Details of the plan of capital reorganization have not been completed. It is understood that if a loan can be negotiated on the security of a first mortgage on the properties, bondholders will be asked to accept cash and a junior security in exchange for their present holdings. This was the method followed in reorganizing Mountain View Apartments Ltd. early in 1931 where bondholders received half the face value of their bonds in cash and the remainder in 7 per cent cumulative preferred stock. Oshawa Buildings Ltd. is stated to have office and store space well rented but rentals of apartments have not been so satisfactory.

CANADA HELD BACK BY WORLD MIX-UP

In a comprehensive survey of business and financial conditions during 1931 and the unsolved problems to be faced in the new year, the Guaranty Trust Co. of New York cites two necessary precursors to United States financial stability, which also have a general application. First, a rigid policy of economy in governmental expenditure must be enforced in order to balance the nation's budget, and secondly that the financing of deficits by loans must be curtailed.

Reviewing Canada's situation the survey states:

"Canada, a country highly dependent on its export trade, particularly that of agricultural products, was regarded at the beginning of this year as in a position to profit by the slightest recovery in the world-wide situation. Of course, the same holds true at present; but developments throughout the world during 1931 have not been so encouraging as those during the preceding year.

"The consequences of Canada's poor crop this year had a very unsettling influence on the country's business, but for the most part conditions have been directed by international forces over which Canada has little or no control. The price of wheat is determined in the international market; and, if prices had not been so low, Canada's poor crop would not have been so serious. Also, the abandonment of the gold standard in Canada and the prohibition of gold exports to this country were provisions necessitated purely by developments abroad. It is unfortunate that Canadian business should be retarded by a depression in the country's exchange at a time when its own finances are fundamentally sound.

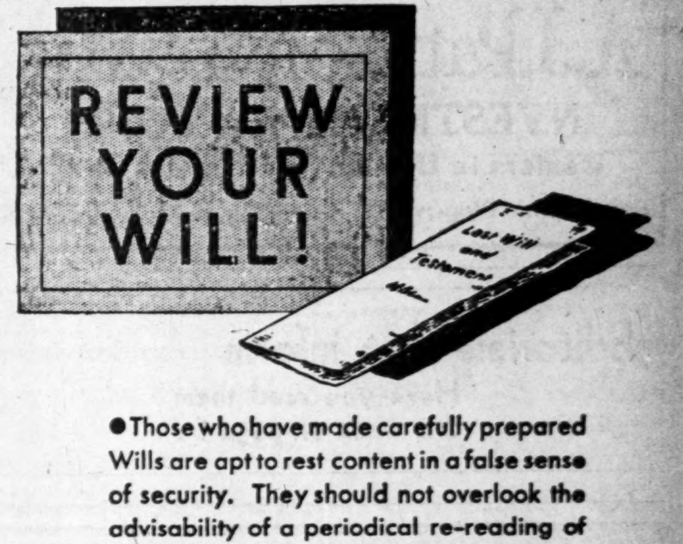
"It is generally agreed that the outlook for the coming year is primarily dependent on developments in other countries. Before Canadian business can operate free from the adverse influences of a depreciated exchange, either its exports must increase or other countries that have abandoned the gold standard, particularly England, must again return to an unimpeded flow of specie.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31 $	Net income 1929-30 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Canada Vinegars Ltd.	Nov. 30	168,676	167,903	1.83	1.82	1.60	200,464	178,988	14	7.65	11.4
Central Canada Loan & Savings Co.	Dec. 31	335,359	392,634	13.41	15.71	14.00	136,679	151,320	...	...	...
Montreal Telegraph Co.	Dec. 31	148,445	......	2.97	...	*2.91	49,779	50,036	44½	1.02	6.45%
Cockshutt Plow Co.	Nov. 30	†494,486	167,245	...	0.58	...	158,178	739,244	4⅝	...	...

* Annual rate is $3.20 per share of $40 par value subject to deduction for Dominion income taxes.
† Deficit.



● Those who have made carefully prepared Wills are apt to rest content in a false sense of security. They should not overlook the advisability of a periodical re-reading of their Wills so that, if necessary, they may be amended to meet changing conditions.

● Does your Will fulfill your present intentions? Is it so drawn that your estate can be administered economically and to best advantage? Can a legitimate saving in Succession Duties be effected by changes in your investments or in the form of your Will?

● Before re-drafting your will, submit it to a trust company for constructive criticism from the point of view of a practical administrator. The Royal Trust Company offers this service free in connection with Wills under which it is appointed Executor.

Send for copies of our booklets—"Some Remarks On Wills" and "Practical Hints On Making Your Will"

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133

Make it a weekly habit to study the business news
PAGE SEVEN EVERY WEEK

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Editorials that inform
Have you read them
this week on page 6?

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

Factories at
MONTREAL, TORONTO, OTTAWA,
WINNIPEG, WELLAND

Head Office
MONTREAL

DOMINION TEXTILE CO., LIMITED
PRUE
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ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
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Lantic Sugar
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MONTREAL
Refineries - Saint John, N. B.

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Manufacturers of High-Grade
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Selling Agents to the Retail Trade: Bryce Sales Limited, Calgary, Winnipeg, and Vancouver.
Sales Offices: Montreal, Quebec, Toronto, Ottawa, London, Hamilton, Halifax, Saint John, N.B.
Export Representatives: Great Britain and Ireland: Liddell & Mitchell, Glasgow, Scotland. Taylor & Shelmerdine, Manchester, England. W. J. Cutcliffe, London, England. A. Lowry, Belfast, Ireland.
Australia: Hugh Scott-Young, Melbourne, Australia.
New Zealand: H. W. Airey, Ltd., Auckland, Dunedin, Wellington.
South Africa: L. C. Carrick, Johannesburg.
Newfoundland: S. Elliott & Co., St. John's.
British West Indies: Wilson & Johnstone, Ltd., Port-of-Spain, Trinidad. L. W. Huddle, Kingston, Jamaica.
China, Hongkong & Japan: Horn & Nobbins, Shanghai, China.
British Malaya. T. B. Rogers & Co., Ltd., Singapore, Straits Settlements.
Peru: M. E. Biber, Lima.
Argentine: E. L. Clough, Buenos Aires. **India:** H. Maddison, Calcutta.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING JANUARY 11

Range 1931-32 High	Low	Divd. Rate in $	Yield in % Jan. 9		Sales	Close Jan. 4 (or last)	Week Ending —Jan. 11— High	Low	Close
13½	2½	.	...	Abitibi, c.	232	2½	3	2⅜	2⅝
50	6½	.	...	Do. pref.	65	7	7	6⅝	6⅝
105	80	.	...	Do. pref.	....	80½	..	..	..
9	5½	.	...	Agnew Surp. c.	....	9	..	..	..
88	83	7	8.4	Do. pref.	....	83	..	..	..
7½	2½	.	...	Alta. Pac. Gr.	....	7	..	..	..
30	10½	.	...	Do. pref.	....	30	..	..	..
4	3	.	...	Amal. Electric	....	3	..	..	..
18	10	.	...	Do. pref.	....	10	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25	.	...	Asbestos	36	.25	.25	.25	.25
2.00	.45	.	...	Do. pref.	5	2.00	1.00	1.00	1.00
9	5	60c	10.9	Assoc. Brew.	10	5½	5½	5½	5½
70½	67	7	10	Do. pref.	....	70	..	..	..
10	3	.	...	Assoc. Can.	....	3	..	..	..
69	65	4+50	..	Assoc. Tele.	....	66	..	..	..
37½	12¾	.	...	Atlan. Sugar*	....	22½	..	..	..
105	79¾	.	...	Do. pref.	....	92	..	..	..
175½	158¼	10	6.3	Bk. Can. Nat.*	2	164¾	159¾	159¾	159¾
303	235	12	5.1	Bk. Montreal*	....	235	..	..	..
326	274	16	5.8	Bk. N. Scotia*	20	284	274	274	274
238	213	12	5.6	Bk. Toronto*	....	213	..	..	..
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5½	3	.	...	Bathurst Pr.	....	3	..	..	..
5	1	.	...	Do. (B)	....	1	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	20	..	..	..
12	6	.	...	Beath & Sons	....	6	..	..	..
14	10	1	10	Beatty Bros. A	....	10	..	..	..
80	58	6	10	Do. pref.	295	60	60	58	58
8½	3	.	...	Beauharnois*	90	3½	3½	3½	3½
93	85	7	8.2	Belding Cort.*	....	85	..	..	..
100	90	7	7.8	Do. pref.*	....	90	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151⅞	119	8	6.7	Bell Telephone*	361	119	119	119	119
4½	2	.	...	Biltmore Hats	....	2	..	..	..
65	45	7	...	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	....	4	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	7	2	...	Blue Ribbon	....	8½	..	..	..
39½	27	3.25	12	Do. pref.	....	27	..	..	..
22½	14	2	11.4	Brant. Cd. pf.	140	17½	17½	17½	17½
28½	7½	50c(d)	..	Brazilian Tr.	8433	10⅞	12½	10¾	11¾
1.25	.25	.	...	Brewing Corp.	816	.50	.50	.50	.50
7½	2½	.	...	Do. pref.	1071	2⅝	3¼	3	3
¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
16½	7⅞	80c	8	Brit. Amer. Oil	5660	9¾	10⅜	9⅝	10⅛
3½	½	.	...	B.C. Packers	5	1	1	1	1
22	5	.	...	Do. pref.	....	6½	..	..	..
42½	26	2	7.7	B.C. Power*	....	26	..	..	..
18	7	.	...	Do. (B)	....	8½	..	..	..
2	1	.	...	B.E. Steel	....	1½	..	..	..
21	18½	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1⅛	.	...	Do. 2nd pref.	....	2¾	..	..	..
8	4½	.	...	Bruck S. Mills*	....	4½	..	..	..
26	15½	2	11.1	Building Prod.	165	17½	18	17	17½
44½	29½	3	10	Burt, F. N.	43	30	31	30	31
146	137	6	4.4	Calgary Pr.*	....	137	..	..	..
7⅞	2½	.	...	Can. Bread	60	2½	3	2½	3
100	87	7	7.4	Do. pref. (A)	....	95	..	..	..
80	55	2	3.6	Do. pref. B.	....	55	..	..	..
13½	7	1	12.1	Canada Bud	356	7	8½	8	8½
18⅞	5	.	...	Can. Cement*	2131	6½	7	5½	6½
96½	68	6.50	9.8	Do. pref.*	200	65½	66	65½	65½
b45	10	1.20	9.2	Canada Dry	4800	10¾	13	10	11½
12	10	.	...	Can. Forg. A*	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	60	3	5	Canada Iron	....	60	..	..	..
80	75	6	7.5	Do. pref.	....	80	..	..	..
650	630	20	..	Canada Life	....	630	..	..	..
16½	10¾	1.50	11.8	Can. Malting	120	12	12¾	12	12
25½	15	80c	4.1	Can. Nor. Pr.*	....	19½	..	..	..
107	104	7	6.6	Do. pref.*	....	106	..	..	..
6	⅜	.	...	Can. Paving	....	⅜	..	..	..
51	10½	.	...	Do. pref.	....	10½	..	..	..
216	190	12	6.3	Can. Perman.*	....	190	..	..	..
4½	½	.	...	Can. Pr. & Pap	25	1½	1	1	1
9	3	.	...	Can. Steamsh's	....	3	..	..	..
27	8	.	...	Do. pref.*	....	9	..	..	..
20	13½	1.60	11.4	Can. Vinegar	225	14	14½	14	14
70	54½	4	6.5	Can. W. Cable*	....	61	..	..	..
30½	20	1	4.8	Do. (B)*	....	20¾	..	..	..
16	9¼	.	...	Can. Bakeries	....	9¼	..	..	..
35	31	.	...	Do. pref.	....	31	..	..	..
232	191	12	6.3	Can. Bk. Com.*	8	191	191	191	191
36½	19	1.25	6.6	Can. Bronze*	....	19	..	..	..
110	102	7	6.9	Do. pref.*	....	102	..	..	..
13½	8	20c	2.5	Can. Canners*	....	8	..	..	..
92½	80	6	7.5	Do. 1st pfd.*	3	80	80	80	80
14	8½	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
19	4½	1	14.3	Can. Car & F*	885	7½	7½	6⅞	7
25½	14⅝	1.75	10.9	Do. pref.*	515	16	16	15½	15½
14½	6	.	...	Can. Celanese*	....	6½	..	..	..
73½	59	7	10.8	Do. pref.*	....	65	..	..	..
58	30	4	13.3	Can. Convert.*	....	30	..	..	..
x50	45	.	...	Can. Cottons*	....	..	..	..	..
60	49	6	10	Do. pref.*	....	60	..	..	..
36½	12	.	...	Can. Dredge	205	13	13½	13	13
92	92	7	7.6	Do., pref.	....	92	..	..	..
81⅛	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
6	5½	.	...	Can. For. Inv.	....	6	..	..	..
80	70	8	10.4	Do. pref.*	....	77	..	..	..
300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
63½	54	3.50	6.4	Do. pref.	21	55	55½	54½	55
80	52	6	9.1	Can. Hyd. E p*	....	66	..	..	..
5½	1½	.	...	Can. Ind. Alc.	145	1½	1⅜	1½	1½
3½	¾	.	...	Do. (B)	....	1	..	..	..
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	64½	5	7.7	Do. pref.*	....	65	..	..	..
42	15	1	...	Can. L. & Pr.*	....	25	..	..	..
18	1	.	...	Can. Locomo.	....	1	..	..	..
25	5	.	...	Do. pref.	....	5	..	..	..
b4½	¾	.	...	Can. Marconi	9400	¾	1½	¾	1½
23½	9	1	10	Canadian Oil	50	10	10	10	10
120	95½	8	8	Do. pref.	....	100	..	..	..
45½	12½	1.25	..	Can. Pacific	4538	13⅜	16½	13½	16½
6½	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2	.	...	Can. Vickers	....	2	..	..	..
35	16	.	...	Do. pref.	10	20	20½	20½	20½
6	2	20c	7.3	Can. Wineries	25	2¾	2¾	2¾	2¾
16	6	1	14.3	Can. Wire. Box	....	7	..	..	..
12	12	.	...	Catelli Mac A*	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
5.35	1.50	10c	...	Chem Research	2075	1.90	2.00	1.85	1.90
20.25	6.00	30c(c)	..	Cities Service	110	6.00	7.25	6.00	7.25
10	3	.	...	Cockshutt Plow	385	5	5	4½	4½
9	3	.	...	Comm. Alcohol	....	4	..	..	..
9	3	.	...	Conduits	10	3½	3¾	3½	3¾
94	84	7	7.8	Do. pref.	....	90	..	..	..
12⅞	6½	1	12.5	Cons. Bakeries	80	7⅞	8	7½	7⅞
3	½	.	...	Cons. Food Pr.	....	1	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18⅝	4	.	...	Cons. Indust.	270	5	5	4	5
5	5	.	...	Consol. Paper	....	5	..	..	..
31	28	2	8.3	Cons. Press	....	23	..	..	..
80	50	7	14	Cons. Sand, pf.	....	50	..	..	..
188½	64	2.50†	3.53	Cons. Smelt.*	3170	66½	72	66	70½
187	163	10	6.1	Consumers Gas	96	165	165	164	164
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corpor. Steel*	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	1	.	...	Cosgrave Br.	25	3½	3½	3½	3½
9	3	.	...	Cosmos Imp.	200	3½	3½	3½	3½
93	65	7	10.8	Do. pref.	....	65	..	..	..
6½	2	.	...	Crown Dom. Oil	....	3	..	..	..
15	8½	3	...	Crow's N. Coal	....	10⅛	..	..	..
5	3	.	...	David & Fre. B*	....	3	..	..	..
12½	12½	.	...	De Havilland	....	12½	..	..	..
9	5	.	...	Disher Steel	....	5	..	..	..
10	10	1.50	15	Do. pref.	....	10	..	..	..
12⅞	5	1	17.7	Distill-Seagram	1510	5½	6	5½	6
223	204	12	5.9	Dominion Bk.*	....	204	..	..	..
55¾	27	2.50	9.2	Dom. Bridge*	....	27	..	..	..
40	40	.	...	Dom. Coal*	....	40	..	..	..
50	15	.	...	Dom. Engin.*	....	22	..	..	..
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	82	5	6.1	Dom. Glass*	....	82	..	..	..
125	112	7	6.2	Do. pref.	2	125	112	112	112
20	20	.	...	Dom. Iron, pf.	....	20	..	..	..
11¾	2½	40c	10	Dom. Motors	165	3½	4	3½	4
14	5	.	...	Dom. Pr. Stubs	35	9	7½	5	5
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8½	1	.	...	Dom. St. & C.B.	545	2⅛	2⅛	2	2⅛
24½	13½	1.20+30c	8.3	Dom. Stores	393	17¼	18	16½	17⅞
14	5	.	...	Dom. Tar & C.*	....	5¾	..	..	..
95	79½	6.50	8.2	Do. pref.*	....	79½	..	..	..
83	63	5	7.9	Dom. Textile*	1	63¼	63¼	63¼	63¼
123	120	7	5.8	Do. pref.	....	120	..	..	..
12	10	.	...	Donnacona*	....	10	..	..	..
7	1½	.	...	Dryden Paper	1490	2	1½	1½	1½
7½	3	.	...	Duff. Paving	5	5½	4	4	4
80	68	7	10.3	Do. pref.	....	68	..	..	..
25½	16	1	5	East. Dairies*	....	20	..	..	..
20	16	50c	...	East. Steel*	....	16	..	..	..
100	97	7	7.1	Do. pref.*	....	98	..	..	..
x16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94½	7	7.3	Do. pref.	....	96	..	..	..
x34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3⅞	3⅞	.	...	Easy Washer	....	3⅞	..	..	..
37	34½	1.75	4.7	Economic Inv.*	....	37	..	..	..
15	15	.	...	Edmonton D'y	....	15	..	..	..
80	78⅜	6.50	8.3	Do. pref.	....	78⅜	..	..	..
8	5	.	...	Enam. & Heat*	....	5	..	..	..
40	20	3	15	Eng. Electric	....	20	..	..	..
16	2	.	...	Do. (B)	....	2½	..	..	..
39½	16	2	11.1	Fam. Players	....	18	..	..	..
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
18	8	1	10	Fanny Farmer	50	9	10	10	10
34	27	2.40	8.5	Do. pref.	....	27	..	..	..
x.25	.10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29½	10½	.	...	Ford Motors A	1490	11⅛	13	11	12⅞
15	5	.	...	For. Pr. Secs.	....	5	..	..	..
16½	8½	1	11.1	Foundation Co.	....	9	..	..	..
3	½	.	...	Fraser Cos.	205	1½	1½	1	1½
8	5	.	...	Frost Steel	....	7	..	..	..
96½	85	7	8.2	Do. pref.	....	85	..	..	..
7½	1½	.	...	Gen. St. Wares	....	2½	..	..	..
119	70	5	6.4	Goodyear Tire.	15	80	79	78	78
107⅞	80	7	8.2	Do. pref.	30	80	85	85	85
93½	93½	7	...	Gould Pumps p	....	93½	..	..	..
½	½	.	...	Gt. W. Saddlery	....	½	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
31	20	2	9.5	Gurd, Chas.*	....	21	..	..	..
12⅞	5	.	...	Gypsum, Lime*	63	5	5	5	5
20½	6¾	.	...	Ham. Bridge*.	....	7	..	..	..
80	63	6.50	10.1	Do. pref.*	....	64	..	..	..
19	8	.	...	Ham. Cot., pf.	....	8	..	..	..
4½	1	.	...	Ham. U. Theat.	....	1	..	..	..
63	55	7	11.7	Do. pref.	....	60	..	..	..
12	2½	.	...	Hayes Wheel	35	3	3½	3½	3½
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.*	....	..	..	..	..
4	1	.	...	Hinde & Dauch	....	1½	..	..	..
75	75	.	...	Holt Renfrew	....	75	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	3	.	...	Honey Dew	....	3	..	..	..
59	38	7	17.5	Do. pref.	10	40	40	40	40
6	2½	.	...	H. Smith Pap.	615	4⅞	3	3	3
45½	30	.	...	Do. pref.	....	40	..	..	..
22	15	2.40	11.1	Humberstone S	....	21½	..	..	..
23½	17	1.40+50	11	Hunt (A)	....	17	..	..	..
23½	18½	1.40+50	10.2	Do. (B)	....	18½	..	..	..
150	143	8	5.5	Huron & E. M*	....	144	..	..	..
29½	28	.	...	Do. 20% pd*	....	28	..	..	..
29⅜	8	.	...	Hydro-Electric	....	8	..	..	..
225	193	12	6.2	Imperial Bank*	8	203	193	193	193
18⅜	8½	50+50c	9.7	Imperial Oil.	10239	10	10½	9½	10⅛
10½	7½	35+20c	6.2	Imperial Tob.	501	9	8⅞	7½	7½
80	80	.	...	Intercol. Coal p	....	80	..	..	..
29	9½	2a	...	Int. Hyd. E. A	....	9½	..	..	..
103	92	7	7.3	Inter. Mill., pf.	5	96	96	96	96
80	80	6	7.5	Do. Series (A)	....	80	..	..	..
20½	8½	20c	2.00	Inter. Nickel	19074	8½	10½	8⅞	10
10	4	.	...	Inter. Paints	6	5	4	4	4
b10½	1⅛	.	...	Int. Pa & Pr A	900	1½	2½	2	2½
b6	½	.	...	Do. (B)	....	1	..	..	..
b4½	½	.	...	Do. (C)	....	¾	..	..	..
b43½	6½	.	...	Do. pref.	1100	7½	9⅜	7⅛	9½
15½	8½	1	8.9	Inter. Pete.	3565	11	11½	10⅜	10⅜
8	5	.	...	Inter. Power*	....	5	..	..	..
73	56½	.	...	Do. pref.*	....	57	..	..	..
45	5	.	...	Int. Util. (A)	80	7	7½	7⅛	7½
11	1½	.	...	Do. (B)	50	2	2	2	2
40	40	1	2.5	Jam. Pub. Ser*	....	40	..	..	..
109	99½	7	7	Do. pref.*	....	100	..	..	..
5½	2½	.	...	Kelvinator	....	3	..	..	..
90⅛	73½	7	7.8	Do. pref.	....	90	..	..	..
24	5	.	...	Lake of Woods	55	5	7	6⅞	7
101	82	.	...	Do. pref.	....	85	..	..	..
140	140	8	5.7	Landed Bank.*	....	140	..	..	..
46	33	3	8.1	Laura Secord	5	36	37	37	37
16	8½	1	10	Lindsay, C. W.	....	10	..	..	..
72½	60	6.50	10.8	Do. pref.	155	67	60	60	60
14½	9½	80c	7.8	Loblaw (A)	285	10½	10½	10	10½
14½	9	80c	8	Do. (B)	55	10	10½	10	10
x2¾	2¼	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	90	7	7.7	Do. pref.	....	91	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
10½	4½	.	...	Maple Leaf	....	4⅜	..	..	..
40	10	.	...	Do. pref.	15	20½	20½	20½	20½
30	30	.	...	Do. pref. "B"	....	30	..	..	..
38	30	.	...	Marcus Loew's	....	38	..	..	..
73	70	.	...	Do. pref.	....	73	..	..	..
10½	1⅞	.	...	Massey-Harris	482	3⅞	4½	3⅜	4½
22½	9½	60c	6.1	McColl Fron.*	90	9⅝	9⅝	9⅝	9⅝
80	69½	6	7.9	Do. pref.	....	76	..	..	..
45	35	.	...	Mexican L. & P.	....	35	..	..	..
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58½	.	...	Do., pref.	....	..	..	..	..
40½	40	2	5	Mitchell, J. S.*	....	40	..	..	..
105	104	7	6.7	Do. pref.*	....	105	..	..	..
20	8	1	12.5	Mitchell, Robt*	35	8	8	8	8
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do., pref.	....	38	..	..	..
95½	83½	6	6.5	Montreal Cot.*	....	92	..	..	..
102	98	7	7	Do. pref.*	....	100	..	..	..
3½	2	.	...	Montreal Exhib.	....	2½	..	..	..
20	14	.	...	Mont. Is. Pr.*	....	14	..	..	..
68½	38	1.50	3.9	Mont L & P*	222	38	38	38	38
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
60	44½	3.20	6.8	Montreal Tele.	12	51	47	44½	44½
177	150	10	6.7	Mont. Trams.	5	150	150	150	150
17¾	8½	1	10	Moore Corp. c.	40	9½	10	9½	10
108½	95	7	7.2	Do. (A)	....	97½	..	..	..
126	95	7	7.2	Do. (B)	6	97½	97	95	95
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
3½	1½	10c	...	Muirheads	10	1½	2	2	2
10	6	75c	8.3	Do. pref.	....	9	..	..	..
35½	23½	1.60	6.7	Nat. Brew.*	....	24	..	..	..
35	27	1.75	56	Do. pref.*	....	31	..	..	..
x10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
42	11½	2	16	Nat. Steel Car*	40	12½	12½	12½	12½
360	250	14	5.6	National Tr.*	2	255	250	250	250
13	10	1	10	Niag. W. Weav.	....	10	..	..	..
36	32	3	9.4	Do. pref.	....	32	..	..	..
6.00	2.00	.	...	North Star Oil	....	2.75	..	..	..
4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
x25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	4.3	Ogilvie Flour*	....	185	..	..	..
130	116¾	7	6	Do. pref.	....	117	..	..	..
21	6½	60c	8.3	Ont. Eq. 10% p	50	7	7½	7½	7½
120	113	6	5.1	Ontario Loan*	....	117	..	..	..
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel*	....	13	..	..	..
x105	105	7	...	Do. pref.*	....	..	..	..	..
1½	¾	.	...	Orange Crush	....	¾	..	..	..
60	45	7	15.6	Do. (A)	5	45	45	45	45
5½	1	.	...	Do. (B)	....	1	..	..	..
110	90	6	5.7	Ott. L H & P*	....	105	..	..	..
105½	102	6.50	6.3	Do. pref.	....	103	..	..	..
25	25	.	...	Ott. Traction	....	25	..	..	..
92⅞	65	5	7.6	Page Hersey	307	69½	68	65	66
49	21½	2.50	...	Paramount	....	21½	..	..	..
35	30	.	...	Paton Mfg.*	....	30	..	..	..
94	82	7	7.4	Do. pref.	....	94	..	..	..
¼	¼	.	...	Pelissiers	....	¼	..	..	..
30	25	.	...	Do. pref.	....	30	..	..	..
73	31	.	...	Penmans*	....	33	..	..	..
101	93	6	6.2	Do. pref.	....	97	..	..	..
.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
29	16½	2	12.1	Photo Eng.	....	16½	..	..	..
40	10	.	...	Port Alfred, pf.	....	10	..	..	..
70	64	7	10	Porto Rico P. p	....	70	..	..	..
b39½	4	.	...	Postal Tele.	....	..	..	..	..
63½	35½	2	5.5	Power Corp.*	....	36½	..	..	..
102	94	6	6.2	Do. pref.*	....	97	..	..	..
4½	2	.	...	Prairie C. Oil.	20	2½	2	2	2
16	7	25c	3.2	Pressed Metals	140	7	7⅞	7½	7⅞
42¾	25	.	...	Price Bros.*	....	25	..	..	..
99	70	6.50	9.3	Do. pref.*	....	70	..	..	..
49	27	2	6.9	Quebec Power*	....	29	..	..	..
110	105	7	6.7	Real Estate L*	....	105	..	..	..
3	1	.	...	Regent Knit.	40	1	1⅛	1⅛	1⅛
10	5½	.	...	Reliance Grain	....	9	..	..	..
16	9	2	20	River. S. Mills	55	11	10½	10	10
19½	10	1.50	15	Robinson Cone	....	10	..	..	..
16½	9	.	...	Rogers Majest.	....	9	..	..	..
291	231	12	5.2	Royal Bank*	....	231	..	..	..
84	75	.	...	Ruddy, E. L. p	....	75	..	..	..
77¾	32	2	5.7	Russell Motor	....	35	..	..	..
95	72¾	7	9.6	Do. pref.	....	72¾	..	..	..
7	7	.	...	Sarnia Br (A)*	....	7	..	..	..
x12	5	.	...	Do. (B)*	....	..	..	..	..
36⅞	5	.	...	Serv. Station	490	6	7	5	6½
90½	45	6	13.3	Do. pref.	10	45	45	45	45
59½	32½	2	6.1	Shawinigan*	22	33	33	33	33
30	20	1.60	6.7	Sher.-Wms.	....	24	..	..	..
121	112	7	6.1	Do. pref.	....	115	..	..	..
22	14	2.50	14.7	Simon & Son*.	....	17	..	..	..
92	88½	7	7.7	Do. pref.*	....	91	..	..	..
92½	51	6.50	12.7	Simpsons Ltd.	27	55½	52	51	51
44½	36	.	...	Do. (A)	....	36	..	..	..
35⅛	24½	.	...	Do. (B)	....	29	..	..	..
108	100	6	5.8	Simpson, Robt.	....	103	..	..	..
4	½	.	...	St. Law. Corp.	675	1	1	¾	¾
12	2½	.	...	Do. (A)	75	4	3	3	3
20	16	.	...	St. Law. Flour	....	16½	..	..	..
85	82	7	8.2	Do. pref.	....	85	..	..	..
30½	10	.	...	St. Law. Pap. p.	475	11	11	10	11
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22½	1	3.4	So. Can. Pr.*	....	29	..	..	..
106½	104	6	5.7	Do. pref.*	....	105¾	..	..	..
16⅛	2½	.	...	St. Pav. & Mat	85	3	3	3	3
80	55	7	11.7	Do. pref.	....	60	..	..	..
1	1	.	...	Stanfords	....	1	..	..	..
15	5	1	...	Stand. Chem.	....	5	..	..	..
9⅞	2½	.	...	Stand. Steel	....	2½	..	..	..
35	30	3	10	Do. pref.	....	30	..	..	..
42½	21	1.75	7.9	Steel of Can.*	456	22	22	21¾	21¾
37	28½	1.75	6	Do. pref.	116	29	29	28½	29
4½	½	.	...	Sterling Coal	....	½	..	..	..
32½	12¾	1	6.1	Sup. Pet. ord.	25	16	16⅜	16⅜	16⅜
105	94	7	7.4	Do. pref.	....	95	..	..	..
31	14	1	6.7	Do. com.	....	15	..	..	..
49	41	.	...	Tamblyn	....	49	..	..	..
106	95	7	7.1	Do. pref.	....	98	..	..	..
30	17	3.50	18.4	Thayers, pref.	....	19	..	..	..
13	6½	.	...	Tip Top Tailors	....	7	..	..	..
90	77	7	8.4	Do. pref.	....	83	..	..	..
22	10	.	...	Tooke Bros.*	....	10	..	..	..
67	48¼	.	...	Do. pref.*	....	48¼	..	..	..
15	9½	.	...	Tor. Elevators	4	11	11½	11½	11½
235	210	12	5.6	Tor. Gen. Tr.*	....	215	..	..	..
115	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
3	1	.	...	Traymore	....	1½	..	..	..
12½	7	.	...	Do. pref.	....	7	..	..	..
130	120	7	5.5	Tuckett Tob. p	....	128	..	..	..
17¼	2½	.	...	Twin City	....	3½	..	..	..
b62	11½	7	...	Do. pref.	....	..	..	..	..
45	28	.	...	Do. (notes)	....	35	..	..	..
16	4⅜	1	21	Union Gas.	385	5	5	4¾	4¾
101½	98	7	7	Union Trust*.	....	100½	..	..	..
8	3	.	...	United Fuel	....	6½	..	..	..
65	10	[illegible]	...	Do. pref.	25	15	15	15	15
62½	40	[illegible]	5	United Secs.	....	40	..	..	..
24½	8½	.	...	Viau Biscuit	150	9½	10½	10½	10½
85	70	7	10	Do. pref.*	....	70	..	..	..
30	10	.	...	Wabasso Cot.*	....	14	..	..	..
8⅝	2⅜	25c	8.3	Walker-Good.	4020	2⅜	3	2⅜	3
7⅜	2	.	...	Waterloo Mfg.	25	2½	3½	3½	3½
45	30	1	2.6	Weston Bisc.*	....	38	..	..	..
90	79	7	8.9	Do. pref.*	....	79	..	..	..
17⅛	6½	.	...	West. C. Flour	....	8	..	..	..
96	70	6.50	9.3	Do. pref.	....	70	..	..	..
17	10	.	...	West. Grocers	....	10	..	..	..
55	40	7	16.3	Do. pref.	2	40	43	43	43
85	85	6.50	...	W. Steel P. p*	....	91	..	..	..
x9	9	.	...	Whittall Can.	....	..	..	..	..
13	10	.	...	Windsor Hotel*	....	12	..	..	..
73	71	6.50	9.1	Do. pref.*	....	71	..	..	..
21½	4	.	...	Winnipeg Elec.	290	6½	8	6½	7
81½	49	.	...	Do. pref.*	....	50	..	..	..
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.*	....	36	..	..	..
80	80	.	...	Wood, Alex. J.p	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931-32 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
d 4% in stock and 50c cash.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

January 8, 1932

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	Monarch Life	..	32
Beaver Lumber c.	5½	6	Nor. C. Mtge. pf.	15	..
Can. Amer. Tr. shs.	..	3¾	Nor. C. Mtge. c.	½	..
Can. Fire Ins.	..	85	North. Trust	..	24
Can. Indemnity	120	..	Un. Gr. Growers	11¼	14
Crescent Creamery pfd.	80	87	West. Breweries	..	2
Gt. West Life	375	..	Fund. Tr. shs. 'A'	..	3⅞
Home Investment	..	50	Do., 'B'	..	4
			Grouped Inc. Shs.	..	4.51

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Beatty Bros. 1st pfd.	6%	1½%	Feb. 1	Jan. 15
Do., com.	$1	25c	Feb. 1	Jan. 15
Bell Telephone	8%	2%	Jan. 15	Dec. 23
Brantford Cordage, pfd.	8%	2%	Jan. 15	Dec. 20
B. C. Power "A"	$2	50c	Jan. 15	Dec. 31
Belding Corticelli, c.	7%	1¾%	Feb. 1	Jan. 15
B. C. Telephone, 2nd pref.	6%	1½%	Feb. 1	Jan. 15
Calgary Power, pref.	6%	1½%	Feb. 1	Jan. 15
Can. Southern Rly.	$3	$1.50	Feb. 1	Dec. 28
Canada Dry	$1.20	30c	Jan. 15	Jan. 2
Canadian Car, c.	$1	25c	Feb. 29	Feb. 15
Canada Bud Breweries	$1	25c	Jan. 15	Dec. 31
Can. Fairbanks-Morse pfd.	6%	1½%	Jan. 15	Dec. 31
Canada Northern Power	80c	20c	Jan. 25	Dec. 31
Do., pref.	7%	1¾%	Jan. 15	Dec. 31
Consolidated Smelters	...	$1.25+5%†	Jan. 15	Dec. 23
Crescent Creamery, pfd.	7%	1¾%	Jan. 15	Dec. 31
Can. Bronze	$1.25	31¼c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Canadian Dredge, pref.	7%	1¾%	Feb. 1	Jan. 15
Can. Industries pfd.	7%	1¾%	Jan. 15	Dec. 31
Do., com.	...	62½c+$1	Jan. 30	Dec. 31
Can. Light & Pr.	...	½%	Jan. 15	Dec. 31
Can. Foreign Invest., pfd.	8%	2%	Feb. 1	Jan. 15
Cities Service, com.	30c	2½c	Feb. 1	Jan. 15
Do.,	6% stk.	½% stk.	Feb. 1	Jan. 15
Can. West. Nat. Gas, c.	...	$1.50	Jan. 15	Jan. 14
Disher Steel Cons. "A" pfd.	$1.50	37½c	Feb. 1	Jan. 15
Dominion Bridge	$2.50	62½c	Feb. 15	Jan. 30
Dominion Tar, pref.	6½%	1⅝%	Feb. 1	Jan. 6
Dome Mines	$1	25c	Jan. 20	Dec. 31
Dominion Textile, pref.	7%	1¾%	Jan. 15	Dec. 31
English Electric "A"	$3	75c	Jan. 15	Dec. 31
Eastern Theatres, pfd.	7%	3½%	Jan. 30	Dec. 31
Eastern Dairies	$1	25c	Feb. 1	Jan. 15
Do., pref.	7%	1¾%	Jan. 15	Dec. 31
Foreign Pr. Secs. pfd.	6%	1½%	Feb. 15	Jan. 31
Foundation Co.	$1	25c	Feb. 15	Jan. 30
Guarantee of N. Amer.	...	3+5%	Jan. 15	Dec. 31
Granby Cons.	50c	12½c	Feb. 1	Jan. 15
Hollinger Mines	65c	1%	Jan. 28	Jan. 14
Home Invest. & Sav., c.	$4	$1	Jan. 2	Dec. 20
Howe Sound	$2	50c	Jan. 15	Dec. 31
Hamilton Bridge, pfd.	6½%	1⅝%	Feb. 1	Jan. 15
International Nickel, pref.	7%	1¾%	Feb. 1	Jan. 2
Inter. Utilities prior pfd.	$7	1¾%	Feb. 1	Jan. 15
Do., Series	$3.50	87½c	Feb. 1	Jan. 15
Do., pfd. 1931 Series	$1.75	43¾c	Jan. 15	Dec. 30
Imperial Bank	12%	3%	Feb. 1	Dec. 31
Inter. Hydro Elec. pfd.	$3.50	87½c	Jan. 15	Dec. 28
Do., Class "A"	$2	‡50c	Jan. 15	Dec. 28
Invest. Foundation, pfd.	$1.50	38c	Jan. 15	Dec. 31
Lindsay, C. W.,	$1	25c	Mar. 1	Feb. 15
Do., pref.	6½%	1⅝%	Mar. 1	Feb. 15
Mansfield Theatres pfd.	7%	3½%	Jan. 30	Dec. 31
MacKinnon Steel pref.	7%	1¾%	Feb. 1	Jan. 15
Montreal L. H. & Pr.	$1.50	38c	Jan. 31	Dec. 31
Montreal Telegraph	8%	2%	Jan. 15	Dec. 31
Mitchell, Robt.	$1	25c	Jan. 15	Dec. 31
McColl Frontenac, pref.	$6	$1.50	Jan. 15	Dec. 31
McLeod Oils	...	5c	Jan. 25	Jan. 5
Montreal Tramways	$10	$2.50	Jan. 15	Jan. 7
Monarch Mtge. & Inv., pfd.	8%	2%	Jan. 15	Dec. 31
Northern Ont. Power	$2	50c	Jan. 25	Dec. 31
Do., pref.	6%	1½%	Jan. 25	Dec. 31
National Biscuit, com.	$2.80	70c	Jan. 15	Dec. 18
N. B. Telephone, com.	80c	20c	Jan. 15	Dec. 31
New England Power, pfd.	$2	50c	Jan. 2	Dec. 10
Do., com.	$2	50c	Jan. 15	Dec. 31
Penmans, pref.	6%	1½%	Feb. 1	Jan. 21
Power Corp., pref.	6%	1½%	Jan. 15	Dec. 31
Do., non-cum. pfd.	6%	1½%	Jan. 15	Dec. 31
Power Corp., com.	$2	50c	Feb. 20	Jan. 30
Quebec Power	$2	50c	Jan. 15	Dec. 23
Russell Motor Car	2%	½ of 1%	Feb. 1	Dec. 31
Do., pref.	7%	1¾%	Feb. 1	Dec. 31
Simpsons, pref.	6½%	1⅝%	Feb. 1	Jan. 20
South. Can. Power com.	$1	25c	Feb. 15	Jan. 30
South. Can. Power pref.	6%	1½%	Jan. 15	Dec. 19
Steel of Canada	7%	1¾%	Feb. 1	Jan. 7
Do., pref.	7%	1¾%	Feb. 1	Jan. 7
St. Law. Flour, pref.	7%	1¾%	Feb. 1	Jan. 20
Societe de Prets & P., com.	$8	$2	Jan. 2	Dec. 26
Do., extra	...	$1	Jan. 2	Dec. 26
Toronto Elevators pref.	7%	1¾%	Jan. 15	Jan. 2
Teck Hughes	60c	15c	Feb. 1	Jan. 16
Tuckett Tobacco, pref.	7%	1¾%	Jan. 15	Dec. 31
United Bond & Share c.	80c	20c	Jan. 15	Jan. 5
United Securities	$2	50c	Jan. 15	Dec. 31
Western Grocers, pref.	7%	1¾%	Jan. 15	Dec. 20

†Plus stock dividend of one share for every twenty shs. held.
‡Or payable in stock 1/50 of a share.

Dividends Passed or Deferred:
Can. Dredge, com., Feb. 1, passed. Last paid 75c., Nov. 2, 1931.
Penmans, com., Feb. 15, deferred. Last paid Nov. 16, 1931.
Consolidated Industries Feb. 1, passed. Last paid 20c. Nov. 2, 1931.

Dividend Rate Reduced:
Can. Bronze c. 31¼c. Feb. 1. Reduced from $2.50 to $1.25 per annum.
Dominion Bridge 62½c. Feb. 15. Reduced from $3 to $2.50 per annum.
Granby Consolidated 12½c. Feb. 1. Reduced from $1 to 50c. per annum.
Can. Car, com., 25c. Feb. 29, reduced from $1.75 to $1 per annum.
Russell Motor Car, com. ½ of 1% Feb. 1. Reduced from $3 to $2 per annum.

Extra Dividends:
Can. Industries, Jan. 30, $1 per share.
Correction—Last week, Amalgamated Electric, pref. dividend in error. Last payment 75c. Jan., 1931.

Active Current Bond Prices

January 11, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100½	100⅝	5.05
Dominion of Canada 5½/34	99½	99¾	5.60
Dominion of Canada 5/43	96.	96½	5.39
Dominion of Canada 4½/46	89.	90.	5.53
Dominion of Canada 4½/56	87.	88.	5.38
Dominion of Canada 4½/58	89½	90.	5.33
C. N. R. (Dom. of Can. Guar.) 5/54	93.	94.	5.54
C. N. R. (Dom. of Can. Guar.) 4½/51	89.	89¾	5.35
C. N. R. (Dom. of Can. Guar.) 4½/55	90½	91¼	5.41
C. N. R. (Dom. of Can. Guar.) 4½/56	88.	89.	5.30
C. N. R. (Dom. of Can. Guar.) 5/69	96½	97½	5.14
Province of Ontario 4½/44	91½	93.	5.25
Province of Ontario 5/48	94.	95½	5.40
Province of Ontario (Hydro) 4¾/70	87.	89.	5.45
Province of Quebec 4½/56	90.	93.	5.00
Abitibi Power & Paper 5/53	35.	40.	14.00
Argentine Gov't. (Ser. B) 6/58	47½	50.	...
Beauharnois Power 6/59	54.	58.	11.50
Bell Telephone Co. of Canada 1st, 5/57	100.	102.	4.85
Brazil, U. S. of, Ext. S. F. 6½/57	17.	18.	...
British Columbia Power 6/60	77.	82.	6.40
British Columbia Power 5½/60	85.	89.	6.35
British Columbia Telephone 5/60	88.	93.	5.50
Calgary Power 5/60	78.	83.	6.30
Calgary Brewing 5/42	98.	102.	4.75
Canada Cement 1st Mtge. S. F. 5½/47	85.	89.	6.63
Canada Gypsum Lime & Alabastine 5½/48	65.	70.	9.15
Canada Northern Power Corp. 5/53	75.	80.	6.75
Canada Steamship Lines 1st & Gen. 6/41	30.	40.	....
C. P. R. Collateral Trust 5/54	85.	90.	5.80
C. P. R. Secured 4½/44 Notes	77.	82.	6.45
Chile Republic Ext. S. F. 6/60	12½	13½	...
Colombia Republic Ext. S. F. 6/61	27½	29.	...
Davies, Wm. 6/42	80.	90.	7.40
Dominion Canners 6/40	96.	100.	6.00
Dominion Square Corporation 6/48	55.	65.	10.30
Dominion Tar & Chemical 6/49	73.	77.	8.12
Dominion Textile 6/49	100.	105.	5.55
Duke Price Power 1st, 6/66	80.	90.	6.75
Eastern Dairies, Ltd., Conv., 6/49	88.	98.	6.20
Eaton, T. Realty 5/49	80.	85.	6.45
Famous Players 6/48	65.	75.	9.00
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	65.	80.	8.12
Fraser Companies 6/50	35.	45.	...
Gatineau Power, 1st Mtge. 5/56	77.	80.	6.70
Gatineau Power, S. F. Debs. 6/41	66.	70.	9.50
General Steel Wares 6/52	36.	45.	...
Howard Smith Paper Mills 5½/53	58.	65.	9.25
Harris Abattoir 6/47	90.	95.	6.52
Manitoba Power, 1st S. F. 5½/51	65.	75.	8.10
Maple Leaf Milling 5½/49	70.	78.	7.80
Massey-Harris 1st Mtge. 5/47	66.	72.	8.30
MacLaren Quebec Power 5½/61	75.	82.	6.98
Montreal Coke, 1st S. F. 5½/47	90.	98.	5.70
Montreal Island Power 5½/57	87.	91.	6.22
Montreal Light, Heat & Power 5/51	100.	103.	4.85
Montreal Tramways 1st Coll. Trust 5/41	91.	95.	5.70
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	77.	82.	6.55
Moodie, J. R. 6/48	90.	95.	6.50
Ogilvie Flour Mills 6/32	99.	101.	4.95
Ontario Power Service 5½/50	57.	63.	9.80
Ottawa Valley Power 5½/70	87.	91.	6.10
Power Corporation of Canada 4½/59	65.	75.	6.45
Price Bros. 1st S. F. Ser. "A" 6/43	65.	75.	9.50
Quebec Power 1st Mtge. Coll. S. F. 5/68	90.	95.	5.31
Shawinigan Water & Power 4½/70	80.	85.	5.45
Shawinigan Water & Power 5/70	90.	95.	5.31
Simpsons 6/49	77.	85.	7.50
Southern Canada Power 1st, 5/55	90.	98.	5.15
United Securities Coll. Trust 5½/52	88.	94.	6.00
West Kootenay Power 5/56	84.	89.	5.85
Windsor Hotel 6½/43	90.	100.	6.50
Windsor Hotel 6/47	85.	94.	6.60
Winnipeg Electric 5/35	90.	98.	5.21
Winnipeg Electric 6/54	60.	70.	9.20

Foreign Exchange

	New York Funds High	Low	Last Year High	Low
	(Premium)		(Premium)	
January 6	18¾%	18%	1-2%	1-4%
Januray 7	18⅜	17⅞	1-2	1-4
January 8	18⅞	18½	3-8	1-4
January 9	18⅝	18½	5-16	7-32
January 11	19½	18⅝	15-64	13-64
January 12	18⅞	18⅝	7-32	3-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
January 6	3.35 1-4	3.92 5-16	5.08 1-4
January 7	3.40	3.92	5.08 3-4
January 8	3.40	3.91 13-16	5.07 3-4
January 9	3.40	3.91 3-4	5.07 3-4
January 11	3.39 1-4	3.91 7-8	5.06 1-4
January 12	3.40 3-4	3.91 7-8	5.05 1-4

FOREIGN EXCHANGE

Par		Dec. 29	Jan. 5	Jan. 12
5.26	Italian	6.26½	6.03	6.00½
23.80	German	29.34½	28.17	28.14½
13.90	Belgian	17.16	16.50	16.49
49.80	Japanese	45.91	42.70	42.80

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

January 12, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.30	.60
Acadia Sugar pfd.	2.05	2.85
Allens Coll. pfd.	30.00	....
Allens Lond. pfd.	30.00	....
Andian N. Corp.	21.00	25.00
B. C. Pulp & Paper c.	1.50	3.75
B. C. Pulp & Paper 7% pfd.	13.00	20.00
Can. Biscuit pfd.	....	7.75
Can. & Dom. Sugar com.	16.00	18.00
Can. Machinery c.	5.00	7.50
Can. Machy. 7% pfd.	21.50	31.50
Can. Packers com.	11.00	15.00
Can. Packers 7% pfd.	80.00	85.00
Can. Starch pfd.	70.00	....
Can. Tea pfd.	54.00	....
Can. Wire & Cable pfd. W.W.	85.00	92.00
Can. Celanese pfd.	51.00	....
Can. Indus. c. 'A'	73.00	....
Can. Indus. c. 'B'	73.00	....
Can. Industries 7% pfd.	108.00	116.00
Can. Westing.	50.00	55.00
Chase, A. W. Units	30.00	36.00
Cons. Oka Sand & Gravel pfd.	50.00	....
Copeland Flour 6% pfd.	....	9.00
Dairy Corp. pfd.	....	60.00
Dodge Mfg. 'A' pfd.	5.00	...
Dodge Mfg. 'B' com.	.50	....
Dom. Foundries & Steel pfd.	53.00	59.00
Dom. Foundries & Steel com.	5.00	7.00
Dom. Manuf. pfd.	70.00	....
Dunlop Tire 7% pfd.	60.00	78.00
East. Car 6% pf.	42.50	....
Fed. Grain pfd.	20.00	30.00
Goderich Elev. & Transit	14.00	16.00
Greening Wire 7% pfd.	82.50	90.00
Guar. Realty pfd.	35.00	41.00
Guelph Carpet pf.	69.00	....
Harding Carp. pf.	....	56.00
Inter/City Baking com.	35.00	45.00
Internat. Prop. 'A'	....	27.00
Loew's London c.	.50	1.75
Loew's Lond. pfd.	3.00	5.00
M. & P. Stores pf.	....	95.00
Massey-Harris pf.	10.00	14.00
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Hotel Scrip	.75	1.75
Mount Royal Hotel com.	1.00	2.50
Mount Royal Hotel 6% pfd.	9.00	13.00
Nat. Grocers com.	.75	1.50
Nat. Grocers 2nd 7% pfd.	35.00	45.00
Paramount Oshawa com.	8.25	12.00
Prov. Paper pfd.	55.00	65.00
Rolland Paper pfd. W.W.	35.00	....
Standard Clay Products c.	10.00	....
Standard Fuel pfd. bonus	58.00	63.00
Supertest Petrol. "B" pfd.	16.25	....
Toronto Brick pf.	40.00	60.00
Tor. Carpet com.	110.00	....
Tor. Carp. 8% pf.	97.50	....
Tor. Elev. 7% pf.	63.00	73.00
Tor. Housing c.	20.00	30.00
United Amuse. 'A'	13.50	....
West. Grain pfd.	20.00	26.00
Willards Choc., pf.	27.00	40.00
Insurance Stocks:		
Br. Amer. Assce.	23.00	....
Can. Life Assce.	450.00	500.00
Can. Fire Ins.	74.00	85.00
Capital Life 20% pd.	10.00	16.00
Confederation Life 20% pd.	150.00	200.00
Continental Life 20% pd.	68.00	74.00
Crown Life	121.00	149.00
Dominion Fire	92.00	120.00
Dom. of Can. Gen. Ins.	190.00	230.00
Dominion Life 50% pd.	250.00	350.00
Excelsior Life 30% pd.	100.00	125.00
Federal Fire 25% pd.	23.00	....
Fidelity Insur. of Canada	....	72.00
Great West Life	350.00	385.00
Guarantee Co. of N. A.	240.00	....
Halifax Fire	9.00	14.00
Imperial Life c.	290.00	350.00
Manufac. Life	280.00	310.00
Monarch Life 10% pd.	18.00	27.00
National Life 25% pd.	115.00	130.00
Saskatchewan Life 10% pd.	10.00	16.00
Sovereign Life 25% pd.	25.00	30.00
Sun Life Assur.	400.00	500.00
West. Assur. Co.	23.00	30.00
Western Life 7% pd.	7.00	....
Trust & Loan Stocks:		
Brit. Mtge. & Tr.	154.00	....
Can. Gen. Investments Ltd.	4.25	6.75
Chartered Trust	90.00	110.00
Debenture & Sec. com.	....	40.00
Debenture & Sec. pfd.	....	50.00
Eastern Can. Sav. & Loan	115.00	135.00
Eastern Trust	125.00	150.00
Guelph & Ont. Inv. Par $50	50.00	58.00
Investment Founda'n Units	17.00	....
Lambton Loan & Savings	75.00	....
London & West. Trust	90.00	115.00
Midland Loan & Savings	17.00	....
Mtge. Disct. pfd.	3.60	4.60
Mutual Finance pf.	3.25	5.25
Mutual Finance c.	3.25	5.25
Premier Trust	67.50	....
Security Loan & Savings	95.00	115.00
Sherbrooke Trust	106.00	....
Sterling Trust	...	90.00
Trad. Finance pf.	32.50	42.50
Trad. Finance c.	....	4.00
Trusts & Guar.	....	72.00
Victoria Trust & Savings	160.00	....
Waterloo Trust & Savings	115.00	132.50
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	91.75	94.75
Calgary Pwr. pfd.	70.00	76.00
Can. Light & Power c.	21.00	28.00
Can. West. Nat. Gas LH&P c.	19.00	....
Can. West. Nat. Gas LH&P pfd.	68.00	75.00
Great Lakes Pwr. pfd.	....	87.00
N. B. Pwr. 1st pf.	43.00	58.00
N. B. Tele. com.	....	12.50
N. S. L&P pfd.	....	81.00
Ottawa LH&P 6½% pfd.	95.00	101.00
Recent London Quotations:		
Brewer Distillers		2s. 10½d.
Can. & For. Sec.		7s. 6d.
Can. West. Lumber		1s. 6d.
Hudson's Bay		20s.
Do., 5% pfd.		55s.
Internat. Holdings		$1 1-16
Nfld. Pr. & Pap. deb. stk.		85
Trust & Loan of Can. (15s. pd.)		5s.

Stocks With Minimum Prices

Atlantic Sugar, com.	22½
Beauharnois Pr. "A"	3½
Belding-Cort., c.	85
Do., pref.	90
Bell Telephone	119
B. C. Power "A"	26
Bruck Silk Mills	4½
Calgary Power	137
Canada Cement	5
Do., pref.	60
Canada Forgings "A"	10
Can. Nor. Power, c.	19½
Do., pref.	106
Canada Steamships, pfd.	9
Can. Wire & Cable "A"	61
Do., class "B"	20¾
Can. Bronze	19
Do., pref.	102
Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
Can. Car & Foundry	6½
Do., pref.	14½
Can. Celanese	6½
Do., pref. 7%	65
Can. Converters	30
Can. Cotton	50
Do, pref.	51
Can. For. Invest. pfd.	75
Can. Hyd.-Elec. pfd.	66
Can. Int. Inv. Tr., pfd.	50
Can. Light & Pr.	25
Catelli Mac., pfd. "A"	12
Cons. Smelters	60
Corporate Steel	9½
David et Frere "B"	4
Dominion Bridge	27
Dominion Coal, pfd.	25
Dom. Engineering	18
Dom. Glass, com.	82
Dom. Tar & Chem.	5
Do., pref.	82
Dom. Textile, com.	63½
Donn. Paper	10
East. Dairies	20
East. Steel, com.	16
Do., pref.	97
Enamel & Heat. Prod.	5
Gurd & Co.	21
Do., pref.	105
Gypsum, Lime	5
Hamilton Bridge	7
Do., pref.	64
Hillcrest Coll., pfd.	88
Inter. Power	5
Do., pref. 1st.	57
Jamaica Pub. Ser.	40
Do., pref.	100
McColl Frontenac	9⅝
Mitchell, J. S.	40
Do., pref.	105
Mitchell, Robt.	8
Montreal Cottons	92
Do., pref.	95
Montreal Island Pr.	14
Mont. Light, Heat	38
Nat. Breweries	24
Do., pref.	31
National Steel Car	10
Ogilvie Milling	185
Ont. Steel Products	10
Do., pref.	90
Ottawa L. H. & Pr.	104
Paton Mfg., com.	30
Penmans, com.	33
Power Corp.	36½
Do., pref.	90
Price Bros.	25
Do., pref.	70
Quebec Power	29
Sarnia Bridge "A"	7
Do., "B"	5
Shawinigan Power	33
Simons & Sons	17
Do., pref.	90
Southern Can. Pr.	25
Do., pref.	105¾
Steel Co. of Can.	20
Tooke Bros.	22
Do., pref.	65
Viau Biscuit, pfd.	83
Wabasso Cotton	10
West. Steel Pr., pfd.	65
Weston's, com.	38
Do, pref.	75
Windsor Hotel	10
Do., pref.	72
Winnipeg Electric, pref.	50
Woods Mfg., pref.	40
Trust and Loan	
Canada Perman.	185
Central Can. Loan	295
Economic Invest.	32
Huron & Erie	139
Do., 20% paid	23
Landed Banking	145
National Trust	245
Ontario Loan	114½
Real Estate Loan	105
Tor. Gen. Trusts	210
Tor. Mortgage	105
Union Trust	95
Banks	
Banque Canadienne	159¾
Bank of Commerce	191
Dominion Bank	194
Imperial Bank	193
Bank of Montreal	225
Bank of N. S.	274
Royal Bank	221
Bank of Toronto	203

Listed Bond Quotations

Week Ending January 11

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1931-32 High	Low
Abitibi, 1st mtge.	5	1953	14	†32	34½	34½	78	33
Asbestos	5	1942	...	†65	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	†14	...	...	20	14
Do., gen. mtge.	6	1956	...	14	...	...	9	...
Can. Cons. Rub.	6	1946	...	...	...	...	69½	...
Can. Cottons	5	1940	6.48	...	...	...	91	88
Can. Forgings	6	1942	6.00	...	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	12	...	...	28½	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98½	...
Cedars Rapids	5	1953	4.92	†99½	...	...	105	100
Dom. Canners	6	1940	...	...	...	...	x103	...
Dom. Coal	5	1940	5.29	...	...	...	98½	98
McNish	6	1948	...	2.00	...	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	73½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	x100	98⅞
Mont. Tr. 1st mtge.	5	1941	5.83	†91	...	...	101½	90½
Mont. Tr. "A"	5	1955	6.75	†79½	79½	...	95½	78⅞
Mont. Tr. G. & R. "B"	5	1955	6.80	†79	78½	...	95½	78½
Do., "C"	4½	1955	5.64	...	...	...	85	84
Do., "D"	5	1955	5.85	†79	78½	78	95½	78
N. S. Steel	5	1959	...	...	...	...	62⅞	59
Ogilvie Flour "A"	6	1932	5.35	...	...	...	100⅞	100
Do., "B"	6	1932	...	...	...	...	x100⅞	100
Do., "C"	6	1932	5.73	...	...	...	100½	...
Ont. Steel	6	1943	5.94	†100½	100½	...	101	100½
Porto R. Pr.	5	1936	7.95	...	...	...	93	88
Steel of Can.	6	1940	4.98	...	...	...	107½	106¾
Wayagamack	6	1951	...	41	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	91	...	...	99½	98¾
Toronto								
Canada Bread	6	1941	6.00	...	...	...	101½	100
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.70	106.25	105.50	....	108.15	103.75
Victory Loan	5½	1933	5.05	100.75	100.25	....	105.25	99.75
Do.	5½	1934	5.68	100.00	99.50	....	105.30	98.38
Do.	5½	1937	4.66	104.50	104.00	....	112.40	104.00
Do., refund	4½	1940	5.57	92.50	....	....	102.12	94.00
Do., refund	5	1943	5.35	96.50	97.00	96.50	106.50	96.50
Do., refund	4½	1944	5.58	91.00	....	....	102.25	92.50
Do., refund	4½	1946	5.53	90.25	....	....	102.45	89.00
Do., renewal	5½	1932	5.17	100.15	....	....	103.00	98.85
Conversion Loan	4½	1956	5.43	88.50	....	....	102.75	91.65
Do.	4½	1957	5.33	88.50	88.50	....	102.00	88.50
Do.	4½	1958	5.33	89.75	....	....	104.65	88.37
Do.	4½	1959	5.38	89.75	89.75	89.00	104.70	89.00
Nat. Service Loan	5	1936	5.70	97.25	97.00	96.25	98.85	96.25
Do.	5	1941	5.52	96.25	97.00	96.00	98.63	96.00

†Latest bid.
x—Quotations for 1930. None recorded in 1931-32 to date.

COCKSHUTT PLOW LOSES $494,486, BANK LOANS UP

Maintains Strong Position in Face of Adverse Farm Conditions

SURPLUS REDUCED

President Believes Business Will Pick Up When World Troubles Are Adjusted

Cockshutt Plow Co. earnings in the year ended November 30, 1931, showed a net loss of $494,486 as compared with a net profit of $317,245 in 1930 and a profit of $807,612 for 11 months in 1929. Bank loans at $1,409,018 were up $338,000, accounts payable down $115,000 to $260,812 and total working capital of $5,608,570 shows a decline of more than $600,000.

INCOME AND SURPLUS ACCOUNT
Years Ended*

	Nov. 30 1931 $	Nov. 30 1930 $	††Nov. 30 1929 $
Net earn. after depreciation	†494,486	327,800	‡875,860
Less:			
Prov. for taxes and other unadj. claims	......	10,555	68,247
Prov. for doubtful accts.	......	150,000	......
Net profit	†494,486	167,245	807,613
Less appropriations: Com. dividends	86,580	432,900	324,675
Surp. for year	†581,066	†265,655	482,938
Add: Prev. surp.	739,244	1,004,899	479,917
Surp. from sale of Adams Wagon Company	......	......	142,044
Trans. to merch. reserve	......	......	100,000
Bal. car. for.	158,178	739,244	1,004,899

*In 1929 the fiscal year was changed to end Nov. 30. ††11 month period. ‡After provision for doubtful accounts. †Deficit.

WORKING CAPITAL

	1931 $	1930 $	1929 $
Curr. assets	7,303,651	7,747,403	7,185,593
Curr. liabs.	1,695,081	1,491,302	731,623
Work. cap.	5,608,570	6,256,101	6,453,970
Ratio	4.3—1	5.2—1	9.8—1

Common Dividend Stopped

After paying dividends previous surplus was reduced to $158,178. The directors started 1931 by reducing the former $1.50 annual common dividend to a basis of 60 cents a share but the quarterly payment ordinarily payable on August 1, 1931, was also passed so that now shareholders must look to a return of better prices and greater prosperity to the farming community as their hope for a return of the disbursing period.

On this point the president, Colonel Henry Cockshutt, had the following to say in the report to the shareholders:

When Tide Turns

"The company has endeavored to do everything possible to secure business but the unprecedentedly low prices for farm produce have cut down the buying power of our customers, both in Canada and abroad to a great extent.

"Notwithstanding these conditions we feel satisfied that when the tide turns we shall be in a position to take advantage of it. Our plant has been well maintained. Our engineering department are keeping our implements modernized, having as their object the lowering of crop production costs. In times such as these the operating staff have heavier responsibilities than when things are going smoothly. They have proven their worth and are facing the situation with courage and determination.

"One thing we may assure our shareholders of is—Farm Products are a world necessity and we are makers of the tools that are required to produce them. The Farm Implement business will quickly pick up when the world troubles are adjusted. We hope to present to you, at the close of another year, a more cheerful statement."

Large Assets Behind Common

The chief reasons for the decline in working capital are the increase of $338,000 in bank loans on the liability side though this is modified by the decline of $115,000 in accounts payable, and the decrease of accounts receivable by $300,000 to $3,580,743 and of inventories by $157,771 to $3,682,720, estimated according to replacement values.

As there is no funded indebtedness, book value of common shares work out at $48.93 per share, company's plant, less depreciation, being shown at $7,852,183, up nearly $100,000, while investment in affiliated companies is shown at $636,246, down about $24,000. Net quick assets, disregarding these items, work out at $19.43 per share as compared with current market value of 4½ for the shares. General reserve still stands at $1,500,000, contingent reserve at $500,000 and merchandise reserve at $500,000.

Montreal Power Add to Shareholders' List

From Our Own Correspondent

MONTREAL. — Shareholders of Montreal Light, Heat and Power Consold., have increased in numbers from 22,000 to 30,000 in the last nine months, a gain of over 27 per cent for the period. This figure does not include the large number of customer shareholders who are paying for their stock on the installment plan. With the addition of this number, Montreal Power would have over 60,000 shareholders.

City Gas Corp. Plant Erected Three Rivers

From Our Own Correspondent

MONTREAL.—Plans of City Gas and Electric Corp. are going steadily forward to fruition. The company was formed early last year to manufacture and supply gas to Three Rivers, succeeding a former concern whose similar plans did not materialize.

City Gas has constructed a plant in which Butane equipment is installed; a substantial number of consumer contracts have already been signed and it is expected that service will be inaugurated in April. Appliance sales are going forward and the majority of mains are laid down.

The Butane equipment provides a marked contrast to the usual form of gas manufacture, and where small scale operations are required, cheaper operation is claimed. Gas is not recovered from coal but from an oil shipped in tank cars to the plant. The process of coking and disposal of the resultant coke is dispensed with; raw material is retained in tanks at the plant while gas retainers for the processed products are being erected.

No public financing, it is understood, has accompanied the development to date.

EUROPEAN WAGES PROVE HANDICAP TO WOOL INDUSTRY

Canadian Output in 1930 Dropped Sharply from Previous Period

From Our Own Correspondent

MONTREAL. — Low wages and mass production in European mills constitute a very great handicap to the Canadian woollen manufacturers, according to a report on the woollen textile industry issued by the Dominion Bureau of Statistics. Night operations in foreign mills also work against Canadian mills, it is pointed out, for the latter only work approximately 48 to 54 hours a week.

This combination of circumstances allows foreign goods to be placed on the Canadian market at figures with which the domestic manufacturer cannot compete and owing to the general business depression the year 1930 proved a most disappointing one for the wool industry.

Plant Condition Maintained

It is stated, however, that Canadian plants have maintained their physical condition remarkably well in the past few years and their continual operation under the unfavorable conditions has been due in a large measure to the efficiency of their equipment and their methods of manufacturing and merchandising. Obsolete equipment, it is claimed, is being rapidly replaced with modern installations and the mills are now in a position to produce merchandise not only equal but in many cases superior to that which is imported.

An indication of the toll which business conditions and a declining wool market took from the Canadian woollen textile industry is indicated by figures contained in the report. Price competition in the first eight months of that year was the most intense ever experienced by the domestic manufacturer and value of production sank from $35,179,599 in 1929 to $27,497,530 in 1930.

Four Divisions Active

The Government report divides the wool industry in Canada into four classes: woollen cloth; woollen yarns; carpets, mats and rugs; and a section which includes felts, blankets, robes, shoddy and similar products. In all there were 116 plants in operation in 1930, of which 79 were located in Ontario and 16 in Quebec. This was a total decrease of 3 from the previous year.

Establishments included 46 woollen cloth mills, having a gross production of $12,347,672. There were 26 woollen yarn mills producing goods to the value of $5,089,204 and carpet, mat and rug establishments totalled 19 with a production of $6,628,481. Total capital investment in the whole industry was $42,481,431 in 1930.

Western Water Survey Published by Government

From Our Own Correspondent

MONTREAL. — Volume 68 of the water resources papers which deal with the surface water supply of Canada, has been issued by the Dominion Water Power and Hydrometric Bureau of the Department of the Interior.

This number contains the results of investigations made by the Survey during the climatic year October 1, 1928, to September 30, 1929, in Alberta, Manitoba, Saskatchewan and Western Ontario. The report contains a short explanation of the work and 204 pages of stream flow and meteorological data with an index map showing drainage areas and the location of the gauging stations.

Free copies of this volume are obtainable on application to the director of the Dominion Water Power and Hydrometric Bureau at Ottawa.

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SHERWIN PAINTS DECEMBER SALES ON BETTER BASIS

Total Business to Date Below Level of Previous Year

From Our Own Correspondent

MONTREAL.—Sales of Sherwin-Williams Co. of Canada in December showed gains over the previous two months, a fact which has some encouraging aspects. Though those close to the company admit that the gains may be attributed in part to seasonal influences they feel that the depleted condition of stocks in dealers hands, incurred through long abstinence from buying, has been a factor in the December demand. The same month in the previous year was exceptionally dull.

Total sales since the beginning of the company's fiscal year, September 1, are lower than those of the same period last year. No marked improvement is looked for until the spring when domestic demand and purchases for marine requirements become evident. Until that time, it is not feasible to make any forecasts for the results of the year.

To date, however, it is likely that earnings are below those of last year, for prices were cut in November making the second reduction in 12 months. Important lines of manufacturers are now quoted at $3.35 a gallon, a drop of 65 cents from the level of November, 1930. Markets for turpentine and linseed oil have shown a firmer tendency and are relatively steady after recording wide declines in line with the general shrinkage in commodity values.

Sherwin-Williams failed to cover its preferred dividend requirements in the year ended August 31, 1931. Profits, after all deductions, which included a write off of $92,917 for depreciation in value of securities held, were equal to $4.59 a share on the 7 per cent preferred. Common share earnings were nil against disbursements of $1.70 a share. Payments on the common during the current year are at the rate of $1.60 a share since the former bonus of 5 cents a share quarterly has been omitted.

Payment of dividends last year necessitated encroachment on surplus to the extent of $423,249, leaving a surplus of $4,169,607. This substantial sum may have a bearing on the management's policy regarding future payments on the common stock which at the present rate require $320,000 annually.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Arrow-Hart & Hegeman Electric Co. of Hartford—makers of electric wiring and switch devices have formed a Canadian subsidiary Arrow-Hart & Hegeman, Canada, and have leased 10,000 sq. feet of floor space in the Doherty Bldg., Toronto, according to the Toronto Industrial Commission. Production is scheduled to start February 1. From 30 to 40 people will be employed. J. R. Cook, vice-president of the U. S. parent company will be president of the new Canadian subsidiary; E. G. Hohs, who has represented the company in Canada will be vice-president and managing director of the Canadian plant.

The parent company is one of the largest manufacturers of its products in the world, has total assets of over $9,000,000 and plants in Connecticut and New Jersey.

General Printing Ink Corp. of New York—one of the largest printing ink manufacturers in the world will establish a plant at Toronto the Industrial Commission of that city announces. A Canadian subsidiary, General Printing Ink Corp of Canada has been formed with Ontario charter and space leased at 179 John St. Production is scheduled to begin Feb. 1. James Hamilton, formerly of MacLean Publishing Co. will be the company's Canadian manager. Perry D. Richards, secretary of the U. S. company is president of the new company. The companies controlled by the General Printing Ink Corp. and whose products will be made in Toronto by the new company are: George H. Morrill Co. of Norwood, Mass., manufacturers of news ink; Sigmund Ullman Co. and Eagle Printing Ink Co. of N.Y., makers of fine color inks; American Printing Ink Co. of Chicago, and Fuchs & Lang Manuf. Co. of N.Y., makers of lithographing inks and supplies.

National Silicates, Ltd.—new Canadian company formed at Brantford, Ont., to manufacture sodium silicates. The company is sponsored by Philadelphia Quartz Co. of Philadelphia, and G. F. Sterne & Sons of Brantford. The new company is the first in Canada to devote its attention exclusively to this chemical. E. T. Sterne, chemical director of the Sterne plant will be vice-president of the new company.

Josiah Anstice & Co., Inc.—manufacturers of kitchen and hotel equipment at Rochester, N.Y., have incorporated a Canadian subsidiary and occupied space at 579-585 Richmond St. W., Toronto, where they will manufacture their products for the Canadian export market, according to an announcement by the Toronto Industrial Commission. Anstice equipment includes power and hand-operated devices for paring, slicing and preparing vegetables and food products already used in Canadian hotels, institutions, etc. The new Canadian company will be called Josiah Anstice & Co.

Kellogg Manufacturing Co. of Rochester, N.Y.—manufacturers of air compressors, paint spraying equipment and other air-operated devices announce a new Canadian plant at Toronto under the same name as the parent company. The company formerly had a Canadian plant at Peterborough but manufacturing, sales and distribution will now be centered at Toronto.

M. E. Binz Co. of Midland Park, New Jersey, is establishing a factory at Montmagny, P.Q., and will employ approximately 150 workers in the manufacture of real and artificial silk goods. It is making a total investment of approximately $500,000 and will occupy part of the Machine Agricole Company's plant at Montmagny. Machinery will be installed within the next few weeks, and the plant will be in operation by Feb. 1.

Stark Brothers Ribbon Manufacturing Corp. of New York, is establishing a branch factory at Granby, P.Q., to be operated by a Canadian subsidiary to be called the Stark Brothers Ribbon Manufacturing Co. of Canada. Real and artificial silk goods will be manufactured, and at peak capacity, about 250 workers will be employed. Factory space totalling 15,000 square feet has been secured, and capital expenditure on installation of machinery and equipment will near the $250,000 mark.

Lido Liquid Coffee, Ltd.—has established a plant at Victoriaville, P.Q., and will employ upward of 100 workers. The company's product, liquid coffee, is manufactured from coffee beans, and is extracted in large percolators and concentrated by evaporating most of the water under a vacuum.

Colade Ontario, Ltd., have established a branch plant at Brantford, Ont., as manufacturers of bitumen products and representatives of the British firm of Dussek Bitumen Co. of London. This firm has been established for over 50 years and has branch plants all over the world.

Sterling Action & Keys, Ltd.—Toronto manufacturers of piano action and keys, radio cabinets and allied lines which will take over the Huron Cordage Plant at Brantford, Ont., on February 1 and give employment to approximately 100 hands.

Universal Cooler Co.—Manufacturers of refrigeration units and other cooling, ventilating and heating devices which has taken a ten-year lease on the Brantford Specialty plant at West Brantford, Ont., and is expected to employ about 65 men during January.

Anthony Co. Inc., of Streator, Ill.—Has completed arrangements with Canada Carriage & Body Co. at Brantford to manufacture the Anthony pipeless hydraulic hoist and dump truck at the Canada Carriage plant at Brantford. Robert Jex, manager of the Canada Carriage plant is in charge of the new organization for Canada.

John C. Virden Co. of Cleveland.—Said to be the largest manufacturers of electric lighting fixtures in the U. S. have leased factory and office space in the Beardmore Building, Toronto, for a new Canadian branch plant to be known under the same name, according to the Toronto Industrial Commission. Approximately 50 people will be employed. J. H. Ehrlich will be in charge of Canadian operations.

Montreal Trust Elect Two New Directors

MONTREAL. — William F. Angus and Paul F. Sise, both directors of the Royal Bank of Canada, have been elected to similar positions with the Montreal Trust Co. Mr. Angus is vice-president of the Canadian Car and Foundry Co., while Mr. Sise is president of the Northern Electric Co.

These men fill the vacancies on the Montreal Trust board created by the deaths of Charles E. Neill and Senator Nathaniel Curry.

Canadian Quotations—Cont'd

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd.,
Canada Permanent Bldg., Toronto, Ont.
January 11, 1932

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	4½	1 Oct., 1958	1 April	79.50	6.05
Alberta	5	1 July, 1943	1 July	91.39	6.05
Alberta	6	1 Apr., 1936	1 April	99.61	6.10
British Columbia	4½	1 Oct., 1953	1 April	84.69	5.75
British Columbia	5	15 Jan., 1948	15 Jan.	92.08	5.75
British Columbia	6	15 Aug., 1941	15 Feb.	101.50	5.80
Manitoba	4	1 July, 1947	1 July	80.00	6.00
Manitoba	5	2 June, 1959	2 June	86.61	6.00
Manitoba	5	15 June, 1943	15 June	91.78	6.00
New Brunswick	4½	1 June, 1948	1 June	90.25	5.40
New Brunswick	4½	15 June, 1936	15 June	97.43	5.40
New Brunswick	6	1 Jan., 1936	1 July	101.77	5.50
Nova Scotia	4½	15 Nov., 1948	15 May	90.07	5.40
Nova Scotia	5	1 May, 1943	1 May	96.60	5.40
Nova Scotia	6	1 Nov., 1936	1 May	102.16	5.50
Ontario	4½	1 Sep., 1944	1 Mar.	93.00	5.25
Ontario	5	15 Oct., 1948	15 April	94.50	5.50
Ontario	6	2 May, 1936	2 May	101.77	5.55
P. E. I.	4	1 Apr., 1939	1 April	90.88	5.50
P. E. I.	4½	1 Oct., 1944	1 April	90.80	5.50
Quebec	4½	1 May, 1961	1 May	86.42	5.15
Saskatchewan	4½	1 Oct., 1944	1 April	84.58	6.25
Saskatchewan	5	1 Oct., 1950	1 April	86.21	6.25
Saskatchewan	6	1 Feb., 1936	1 Feb.	98.65	6.35
Cities					
Montreal	5	1 Sep., 1963	1 Mar.	93.94	5.40
Toronto	4½	1 Sep., 1954	1 Mar.	88.23	5.40
Vancouver	4	1 Aug., 1946	1 Feb.	80.40	6.00
Winnipeg	5	1 Mar., 1944	1 Mar.	90.88	6.05
Edmonton	5½	1 May, 1945	1 May	88.63	6.80
Calgary	5	1 Jan., 1943	1 July	85.80	6.80
Halifax	6	1 July, 1951	1 July	103.80	5.50
Saint John	5	15 Dec., 1950	15 June	94.15	5.50
Regina	4½	1 July, 1950	1 July	88.52	6.80
Victoria	5	21 July, 1945	21 Jan.	89.75	6.10
Quebec	5	1 June, 1948	1 June	98.35	5.15

Winnipeg Grain Prices

Week to January 12

Crop Year from Aug. 14 High	Low		Open Jan. 6	High for week	Low for week	Close Jan. 12
		Wheat				
.76½	.55⅛	May	.62¾	.64¼	.62⅜	.62⅞
.77⅞	.61¼	July	.63⅞	.65	.63¼	.63¾
		Oats				
.38	.28	May	.32½	.33⅛	.32¼	.32½
.37½	.31⅝	July	.33⅝	.33⅞	.32¾	.32¾
		Barley				
.47¾	.32¼	May	.41½	.42	.40½	.40⅞
.45¼	.38¼	July	.40⅝	.41½	.40	.40⅛
		Flax				
1.21	.97½	May	1.03	1.04¾	1.01½	1.02¾
1.16½	1.00½	July	...	1.04¾	1.02	1.02¼
		Rye				
.59⅛	.32¼	May	.47	.48⅝	.46	.46⅝
.59	.43⅝	July	.47½	.49	.46⅝	.46⅞

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to January 12

High to date†	Low		Close Jan. 5	High for week	Low for week	Close Jan. 12
		Wheat				
.72	.53¾	May	.56½	.58⅜	.56¼	.56¾
.60⅝	.53¾	July	.57¼	.58⅝	.57⅝	.57⅝

†Since trading opened March 3.

Mining Stock Quotations

Week ending January 11

Par Val.	Range 1931-32 High	Low	Company	Sales	Close Jan. 4 (or last)	High for week	Low for week	Close Jan. 11
1	.23	.02½	Abana	775	.04	.04	.04	.04
1	.03	.01	Aconda	......	.01½	.....	.....	.....
1	.05½	.03½	Adrien	......	.04½	.....	.....	.....
No	.50	.12	Aldermac	......	.25	.....	.....	.....
1	.20½	.06½	Alexandria	10,000	.08½	.08½	.07	.08
1	.05	.00½	Algonquin	5,000	.00⅞	.01	.00⅞	.01
1	.02½	.00⅞	Amity C.	7,500	.01	.01	.00⅞	.00⅞
No	.45	.12	Amulet	8,297	.20	.21	.20	.20½
1	.02½	.00½	Apex	......	.00½	.....	.....	.....
1	.05	.01	Area	2,000	.01½	.01½	.01½	.01½
1	.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.08½	.01½	Arno	16,500	.02	.02	.01½	.02
1	.02	.01	Astoria	......	.02	.....	.....	.....
1	.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.08½	.03	Bagamac	......	.04	.....	.....	.....
1	.02½	.00½	Baldwin	......	.00½	.....	.....	.....
1	.19½	.08	Barry Hollinger	38,000	.09	.11	.09	.11
No	1.45	.75	Base Metals	200	.95	.95	.95	.95
No	.04	.00½	Bathurst	......	.03	.....	.....	.....
5s	1.75	.60	B'Wana McKubwa	......	1.00	.....	.....	.....
1	.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.37½	.06½	Bidgood	115,190	.10	.12	.06½	.07½
1	.50	.08	Big Missouri	9,225	.16	.16	.14	.16
1	.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.12	.01½	Bobjo	6,400	.02½	.04½	.02½	.04
No	.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.12	.01	Brett Trethewey	7,000	.07	.07½	.07	.07½
No	.12	.02½	Brownlee	6,000	.03½	.03	.02⅞	.02⅞
1	.02	.00½	Buckingham	......	.02½	.....	.....	.....
No	.30	.19	Buffalo Can.	11,950	.24½	.25	.23½	.24½
No	.08½	.02	Bunker Hill	4,500	.02	.02	.02	.02
No	.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	.04	.01	Cambro Kirk.	......	.04	.....	.....	.....
No	.05½	.02	Canam Metals	......	.02	.....	.....	.....
1	.06½	.01	Can. Kirkland	5,500	.02½	.02½	.02½	.02½
1	.32½	.05	Canusa	43,100	.07½	.08	.05	.05
1	.04½	.00½	Capital Rouyn	35,500	.01	.02	.01	.01½
1	.30	.14	Castle Trethewey	16,500	.15	.15	.14	.15
1	.23	.03	Cen. Manitoba	2,725	.07	.08	.07½	.08
1	.17	.05	Can. Patricia	2,000	.07½	.07½	.07½	.07½
1	.03	.01½	Champion R.	......	.02½	.....	.....	.....
No	.59	.02	Chib. Prospect	5,000	.07	.07½	.07	.07
No	.08	.00½	Clericy	500	.01½	.01½	.01½	.01½
5	10.50	2.50	Coast Copper	625	2.90	3.00	2.50	3.00
1	.05½	.01	Cobalt Contact	24,500	.02	.02	.01½	.02
1	.02	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.39	.05	Columario	1,700	.07½	.08	.08	.08
5	1.50	.50	Coniagas	......	1.00	.....	.....	.....
No	.62	.25	Coniaurum	455	.40	.40	.35	.40
25	188.25	64.00	Cons. Smelters	3,170	66.50	72.00	66.00	70.75
1	.40	.15	Cons. Venus	......	.40	.....	.....	.....
1	.01	.00½	Corona	......	.00½	.....	.....	.....
1	.02½	.00½	Crown Reserve	500	.00½	.01½	.01½	.01½
No	.21	.03	Dom. Explorers	73,250	.08	.09½	.08	.08
1	.03	.00½	Dom. Kirkland	......	.00½	.....	.....	.....
No	13.40	8.00	Dome Mines	4,035	9.30	10.00	9.25	10.00
1	.01	.00½	Don Rouyn	300	.01	.01	.01	.01
No	.33	.30	Donald Woolsey	......	.30	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	.02½	.00½	Duprat	......	.01½	.....	.....	.....
1	1.68	.20	Eldorado	54,935	1.18	1.33	1.12	1.18
No	1.70	.90	Falconbridge	1,040	.98	1.05	.97	.97
1	.08½	.02	Federal	2,500	.04	.03½	.03½	.03½
No	.01½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.30	.06	Gem Lake	6,700	.06½	.07	.07	.07
No	.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.08	.01½	Goldale	1,000	.02	.02	.02	.02
10	.25	.08	Goldfield	......	.11	.....	.....	.....
1	.01½	.00½	Gold Hill	5,000	.00½	.00½	.00½	.00½
1	.11	.02½	Goodfish	4,000	.03	.04	.03½	.04
1	.04	.00½	Graham	......	.00½	.....	.....	.....
No	2.30	1.05	Granada	12,580	1.11	1.14	1.05	1.08
1	.22	.06	Grozelle	2,500	.20	.22	.20	.20
1	.03	.01	Harker	......	.02	.....	.....	.....
1	.39	.30	Harvey	......	.30	.....	.....	.....
1	.08½	.07½	Hayden	......	.08	.....	.....	.....
No	.30	.29	Halliwell	......	.28	.....	.....	.....
1	.05	.00½	Hilltop	7,000	.01½	.01½	.01½	.01½
5	8.70	4.60	Hollinger	1,295	5.35	5.70	5.40	5.55
1	.40	.20	Howey Gold	19,350	.34	.36	.33	.34
No	6.30	2.00	Hudson Bay	1,105	2.58	2.78	2.56	2.75
No	.40	.20	Huronian	......	.20	.....	.....	.....
No	20.50	8.12	Int. Nickel	19,074	8.75	10.75	8.62	10.00
1	.03	.00½	Jackson Manion	11,000	.01½	.01½	.01½	.01½
1	.35	.21	Keeley	200	.23½	.23	.23	.23
1	.04½	.00½	Keora M.	22,000	.01½	.01⅞	.01½	.01½
1	1.00	.27½	Kirk. Hud. Bay	1,500	.75	.70	.70	.70
1	.03	.00½	Kirk. Hunton	69,000	.01½	.01½	.01½	.01½
1	.93	.38	Kirkland Lake	14,450	.50½	.55	.50½	.54
1	.08	.01	Kirk. Premier	1,500	.01½	.02	.01½	.01½
1	.25	.05½	Kirk. Townsite	5,500	.13	.13	.12½	.12½
20c	.02½	.00½	Koot. Florence	6,000	.00⅞	.01½	.00½	.01
1	.02	.00⅞	La Rose	......	.01	.....	.....	.....
1	.69	.38	Lakeland	......	.42	.....	.....	.....
1	29.95	20.00	Lake Shore	3,665	28.00	28.75	28.00	28.75
1	.02	.00½	Laval	500	.00½	.00½	.00½	.00½
1	.04	.01½	Lebel Oro	......	.02	.....	.....	.....
No	.35	.35	Locarno	......	.35	.....	.....	.....
1	.55	.10	Macassa	8,700	.40	.40	.36	.37
1	.12	.02	Malartic	2,000	.03½	.04	.03½	.03½
No	.15	.05	Mandy	......	.05	.....	.....	.....
No	.06	.01	Manitoba Basin	4,000	.01½	.01½	.01	.01½
1	.55	.20	McKinley	125	.35	.30	.30	.30
5	26.50	13.95	McIntyre	1,575	17.50	19.25	17.30	19.00
No	.33	.05	McLeod River	100,000	.06	.07	.05	.05
1	.04	.04	McVittie	......	.04	.....	.....	.....
1	.29	.03	MacMillan	......	.10	.....	.....	.....
1	.01½	.00½	Millcrest	......	.01	.....	.....	.....
No	2.84	1.10	Mining Corp.	1,100	1.40	1.40	1.30	1.30
1	.34	.01	Moffatt Hall	142,000	.07	.08½	.06½	.07
1	.04	.02½	Moneta	......	.03	.....	.....	.....
1	.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.63	.20	Moss	34,800	.30	.37	.31	.35½
1	.09	.01	Murphy	5,500	.02	.02	.01½	.02
No	.07½	.02	Newbec	23,500	.03	.03	.02	.03
1	.40	.25	Nevada	......	.25	.....	.....	.....
1	.09	.02	Night Hawk	......	.02	.....	.....	.....
5	1.90	.80	Nipissing	3,050	1.10	1.15	1.03	1.03
No	29.65	11.75	Noranda	11,040	15.05	16.55	15.25	16.25
No	.50	.18	Nor. Canada	2,200	.21	.24	.19	.24
1	.03	.00½	Old Colony	5,200	.00½	.01	.00½	.01
1	.01	.00½	Ophir	......	.00½	.....	.....	.....
1	.10½	.02	Oriole	......	.02	.....	.....	.....
1	.21	.07	Osisko	......	.07½	.....	.....	.....
1	.25	.20	Parkhill	......	.24	.....	.....	.....
1	.15	.07	Patricia Dent	7,000	.11½	.11½	.11	.11½
1	.05	.01½	Pawnee Kirk.	2,500	.02	.02	.01½	.02
No	1.61	.60	Pend Oreille	1,100	.82	.90	.85	.85
1	.04½	.00½	Pete. Cobalt	3,000	.01	.01	.01	.01
1	.25	.18½	Phoenix Molybd.	......	.25	.....	.....	.....
1	.01½	.00½	Picard	......	.00½	.....	.....	.....
1	.02½	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	.03	.00½	Potter Doal	20,000	.01	.01½	.01	.01½
1	.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.99	.40	Premier Gold	550	.57	.60	.57	.60
No	.02½	.00½	Preston E. Dome	......	.00½	.....	.....	.....
No	.29	.15	Prospectors Air's	......	.15	.....	.....	.....
No	.25	.05½	Quemont	3,000	.10	.06	.05½	.05½
1	.06	.00⅞	Ribago	25,000	.01½	.01½	.01	.01½
1	.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.15	.01½	Ritchie	4,000	.02	.02½	.02	.02½
1	.04	.00½	Robb Montbray	......	.01	.....	.....	.....
1	.05	.04	Rubec	......	.04	.....	.....	.....
No	.45	.25	San Antonio	2,500	.30	.34	.32	.32
1	.21	.10	Seven Troughs	......	.10	.....	.....	.....
1	1.25	.40	Sherritt Gordon	6,935	.65	.65	.60	.64
1	.71	.36	Siscoe	34,275	.53	.56	.51½	.52
1	.18	.02	South Keora	2,500	.03	.03	.02	.03
No	.05	.01	Stadacona	7,500	.01⅞	.01½	.01½	.01⅞
1	.20	.03½	St. Anthony	500	.12	.12	.07½	.12
No	.82	.35	Sudbury Basin	500	.41	.45	.42	.45
1	.03	.00½	Sudbury Contact	16,000	.01	.01½	.00½	.01½
1	.03½	.00½	Sudbury Mines	10,000	.00½	.00⅜	.00½	.00⅜
No	.04½	.01	Sudbury Nickel	......	.03½	.....	.....	.....
1	.19	.07	Sullivan	500	.10	.09	.09	.09
1	1.14	.48	Sylvanite	22,850	.60	.65	.59	.62½
1	.20½	.04	Tashota	2,500	.05½	.07	.06	.07
1	8.65	4.51	Teck Hughes	10,695	4.95	5.25	4.90	5.15
1	.10½	.01	Telluride	......	.01	.....	.....	.....
1	.01½	.01	Temiskaming	......	.01½	.....	.....	.....
1	.06½	.02½	Thom. Cadillac	......	.02½	.....	.....	.....
1	.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.63	.17	Towagmac	100	.30	.25½	.25½	.25½
No	2.65	.90	Treadwell	......	.90	.....	.....	.....
No	2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.15	.04	United Kirkland	......	.08	.....	.....	.....
1	.03	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.86	.35½	Ventures	47,970	.46	.53	.46	.50
1	.19	.01½	Vickers	500	.13½	.14	.14	.14
1	1.22	.37	Vipond	2,600	.44	.45	.40½	.44
No	2.00	.60	Waite Ackerman	300	.65	1.00	.60	.75
1	.02½	.01	West Tree	......	.01	.....	.....	.....
1	.27	.03	White Lake	6,000	.03	.03	.03	.03
1	.06	.01½	Wiltsey	......	.01½	.....	.....	.....
No	.01½	.00½	Windfall R.	......	.01	.....	.....	.....
	.13	.03½	Wood Kirk	......	.04	.....	.....	.....
No	3.25	1.85	Wright-Hargreaves	18,460	2.87	3.06	2.86	2.90

WESTERN OIL STOCKS

Par Val.	Range 1931-32 High	Low	Company	Sales	Close Jan. 4 (or last)	High for week	Low for week	Close Jan. 11
1	.30	.12	Acme	12,800	.16	.17	.15	.16
1	1.89	1.00	Ajax	12,750	1.05	1.17	1.05	1.10
1	.37½	.05	Alta. Pacific	1,948	.10	.12	.10	.10
	.01	.01	Askalta	......	.01	.....	.....	.....
No	.25	.04	Associated	1,300	.06	.10	.06	.10
No	.12	.02	Baltac	......	.04	.....	.....	.....
1	.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.36	.05	Brit. Dominion	260	.06	.06	.06	.06
No	.82	.20	Calgary & Ed.	1,200	.40	.38	.35	.35
1	.32	.03	Calmont	675	.07	.08	.06	.08
1	.47	.05	Comm. Pete.	200	.05	.07½	.07½	.07½
No	.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.60	.12	Dalhousie	530	.20	.20	.20	.20
No	.08	.01	Devenish	......	.01½	.....	.....	.....
No	.12	.01½	Dome Oil	757	.02	.02	.02	.02
No	.69	.05	East Crest	1,750	.12	.12	.11	.11
1	.05	.00½	Fabyan Pete	......	.00½	.....	.....	.....
No	.60	.05	Foothills	......	.08	.....	.....	.....
No	.18½	.02	Freehold	......	.03½	.....	.....	.....
1	.02	.00½	Great West	200	.00⅞	.02	.02	.02
No	.17	.03	Hargal	......	.05	.....	.....	.....
No	.10	.03	Herron Pete	......	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	......	.05	.....	.....	.....
No	2.00	.30	Home	690	.40	.45	.40	.40
No	.22	.02½	Homestead	100	.04½	.05	.05	.05
1	1.70	.35	Homest'd O. & G.	5,700	.40	.45	.41	.45
	.10	.09	Hylo	......	.09	.....	.....	.....
1	.08½	.00½	Illinois Alta	9,500	.00½	.00½	.00½	.00½
No	.70	.10½	Lowery	......	.18	.....	.....	.....
1	.05	.00½	Madison	300	.01½	.01½	.01½	.01½
1	.85	.12	Mayland	......	.15½	.....	.....	.....
No	.11	.02½	McD. Segur Ex.	1,000	.04	.03½	.03½	.03½
1	.29	.01½	McD. Segur N.	......	.04½	.....	.....	.....
1	.72½	.25	McLeod	110	.46	.46	.45	.45
No	.39	.07½	Mercury	9,800	.09½	.10	.09½	.09½
No	.20	.04	Merland	500	.05	.06	.06	.06
No	.38	.08	Mill City Pete.	150	.11	.12	.10	.10
1	.49	.11	Model	......	.16	.....	.....	.....
1	.18	.02	Monalta	......	.07	.....	.....	.....
1	.31	.05	Moose Mountain	......	.07	.....	.....	.....
1	.04	.00½	New Federal	......	.00½	.....	.....	.....
No	.56	.10	Nordon	10,000	.11	.14	.10½	.11
No	.11	.02	Oil Selection	7,500	.03½	.04	.03	.03
No	.28	.03	Okalta	160	.05	.05	.04½	.04½
100	27.00	8.00	Do., pref.	......	9.00	.....	.....	.....
No	.24	.05	Olga Gas & Oil	15,800	.16	.20	.16	.18
No	.28	.01	Penn. Pete	60,500	.02	.03½	.02	.03
1	.37½	.17	Petrol	4,500	.22	.27	.24	.27
No	.25	.07	Ranchmen's	1,000	.09	.12	.10	.12
1	.05	.01	Regent	300	.01	.01	.01	.01
No	.13	.01½	Richfield	......	.02½	.....	.....	.....
No	17.75	5.00	Royalite	233	6.40	6.50	6.00	6.25
1	.82	.10	Sarnia Oil	......	.12	.....	.....	.....
1	.06½	.01	Signal Hill	4,500	.03	.02	.02	.02
No	.27	.05	South West Pete.	......	.10	.....	.....	.....
1	.60	.12	Spooner	700	.20	.20	.18	.19
No	.19	.04½	Sterling Pacific	650	.10	.11	.10	.11
1	.16	.05	Turner Valley	......	.10	.....	.....	.....
No	.31	.05	United	1,165	.07	.08	.07	.08
1	.15½	.05	Vulcan	100	.10	.09	.09	.09
No	.05	.00½	Wainwell	1,750	.00½	.02	.00½	.01½
1	.28	.08	Waite Valley	......	.08½	.....	.....	.....

VANCOUVER STOCK EXCHANGE
(Transactions for Week to January 6)

Par Val.	Range 1931-32 High	Low	Company	Sales	Close Jan. 4 (or last)	High for week	Low for week	Close Jan. 11
25c	.01	.00½	Bayview	......	.00½	.....	.....	.....
20c	.07½	.01	Beaver Silver	13,500	.04	.04½	.03½	.03½
25c	.06	.00½	Bluebird	......	.02½	.....	.....	.....
25c	.80	.40	B.C. Silver	......	.40	.....	.....	.....
25c	.02	.00½	Cork Province	......	.01	.....	.....	.....
1	.30	.06	Cotton Belt	......	.06	.....	.....	.....
1	.03	.02	Dalhousie	......	.02½	.....	.....	.....
1	.04	.02	Dunwell	......	.02	.....	.....	.....
1	.10	.02	Duthie	......	.02½	.....	.....	.....
1	.90	.39	George Copper	300	.50	.45	.45	.45
50c	.05	.01	Geo. Enterprise	......	.02	.....	.....	.....
1	.05½	.01½	Georgia River	23,000	.03½	.03½	.03½	.03½
1	.45	.17	Golconda	1,000	.25	.22	.22	.22
50c	.10	.03	Grandview	4,600	.06	.07½	.06½	.07
No	27.50	17.00	Howe Sound	......	21.25	.....	.....	.....
1	.17½	.09	Intern. Coal	250	.11	.09	.09	.09
1	.02	.01	Independence	......	.01½	.....	.....	.....
1	.02	.01	Indian Mines	......	.02	.....	.....	.....
1	.43	.22	Jack Waite	......	.25	.....	.....	.....
25c	.02	.00½	Kootenay King	......	.01	.....	.....	.....
25c	.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.18½	.06	Lorne Gold	65,425	.13½	.18½	.13	.18
1	.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
10c	.05	.01½	Lucky Jim	......	.03	.....	.....	.....
2.50	.01	.00½	Marmot Gold	......	.01	.....	.....	.....
5c	.09	.07	Metaline Metals	......	.09	.....	.....	.....
1	.05	.01	Morton Woosley	125	.01½	.03	.03	.03
50c	.05½	.01	National Silver	13,000	.02½	.02½	.02½	.02½
50c	.10½	.03	Noble Five	5,500	.06½	.08½	.06½	.06½
50c	.12½	.02	Oregon Copper	......	.02	.....	.....	.....
1	3.60	1.23	Pioneer Gold	1,380	3.40	3.50	3.45	3.50
No	.02	.00½	Premier Border	......	.01	.....	.....	.....
50c	.13	.03	Porter Idaho	1,100	.08	.08½	.08	.08½
No	.55	.20	Reeves McDonald	......	.30	.....	.....	.....
1	.28	.11	Reno Gold	19,525	.21½	.24½	.22	.24
1	.04	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.09	.03½	Ruth Hope	......	.05	.....	.....	.....
1	.07½	.03	Silverado	1,500	.04	.04	.03½	.03½
25c	.04½	.00½	Silver Crest	......	.02	.....	.....	.....
50c	.05	.00½	Snowflake	......	.02	.....	.....	.....
1	.45	.25	Sunloch	......	.25	.....	.....	.....
50c	.02	.01	Topley Rich	......	.02	.....	.....	.....
5	.20	.05	Torie	......	.05	.....	.....	.....
20c	.01	.00½	Wellington	......	.01	.....	.....	.....
1	.08	.02	Whitewater	......	.05	.....	.....	.....
No	.03½	.00½	Woodbine	......	.01	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield
Cons. Smelters	$2.50+a	3.53
Dome Mines	$1	10.00
Granby	50c.	....
Hollinger	65c.+5	12.61
Howe Sound	$2	....
Inter. Nickel	20c.	2.00
Lake Shore	$2+50c.	8.69
McIntyre	$1	5.26
McLeod Oils	5c.	....
Mercury Oil	5c.	....
Model Oils	9c.	....

	Rate	Yield
Noranda	50c.	3.07
Premier	12c.	....
Pioneer, B.C.	12c.	3.42
Royalite	50c.	....
Spooner Oils	6c.	....
Sylvanite	4c.	....
Teck Hughes	60c.+5	12.62
Wellington Oil	5c.	....
Wright-Har.	10+2½c.	4.31

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Installed Water Power Reached 6,660,000 H.P. At Close of Last Year

Nearly 550,000 h.p. Added to Capacity in 1931

QUEBEC IN LEAD

$110,000,000 Spent Last Year and $280,000,000 Needed to Complete Projects

From Our Own Correspondent

MONTREAL.—Further development of Canada's water power resources is seen in the report issued by the Hon. Thomas G. Murphy, Minister of the Interior, showing that during 1931 water wheels or turbines actually installed or brought into operation totalled 546,650 h.p., bringing the total installation in the Dominion up to 6,666,000 h.p.

In addition to this substantial total of completed installations, construction was advanced upon a number of undertakings, some of which are of great magnitude. It is expected that these will be brought into operation within the next two or three years and will add more than 1,400,000 h.p. to the Dominion's water power developments.

Large Capital Involved

At least $110,000,000 was expended in providing for the development, transmission and distribution of the new power development in 1931. It is further estimated that more than $280,000,000 will be required to bring to completion the projects at present actively under construction.

These large expenditures in the development of one of Canada's most important natural resources are most timely in providing employment to thousands of people in a great many lines of endeavor.

Take Up Slack

It may be contended that with the present lessened demand for power, due to depressed business conditions, the programme of water power development is too far in advance of existing needs, but it is confidently expected that with improved conditions, the power demands of the Dominion will quickly absorb the available supply.

Quebec Takes Lead

During the past year, Quebec took the lead in new installations totalling 382,200 h.p., while in the other provinces figures were: British Columbia, 25,200 h.p.; Manitoba, 79,000 h.p.; Ontario, 58,200 h.p.; and Nova Scotia, 1,650 h.p.

Large undertakings are at present under construction in Quebec, Ontario and British Columbia. The principal activities in each of the provinces are briefly described in the following paragraph:

Active progress was made in British Columbia last year upon the construction of a number of hydro electric undertakings which resulted in new installations to the extent of 25,200 h.p. being completed and placed in operation, while work on other projects was well advanced.

Powell Plant Complete

The Powell River Co. brought its new Lois River plant into operation in March, with the first unit designed to deliver 24,800 h.p., provision being made for the addition at a later date of a second unit of the same capacity. The electrical energy from this development is transmitted about thirteen miles over a 66,000 volt line to the company's pulp and paper mill at Powell River.

On the Bonaparte River, the Ashcroft Water, Electric and Improvement Co. completed the installation of a 400,000 h.p. hydro electric plant. Power from this plant serves the town of Ashcroft and vicinity and it is also proposed to use part of the development for irrigation purposes in the district.

Bridge River Power Co., subsidiary of B. C. Power Corp., continued the construction of its undertakings on the Bridge River. The work of lining the initial tunnel through the mountain divide to the power station site on Seton Lake was nearly completed and studies as to the size of the transmission line design are being continued. It has been tentatively decided that the initial installation will consist of one 55,500 h.p. unit and that the transmission line will consist of a single 220,000 volt circuit on steel towers.

Vancouver Island Power Co., another subsidiary of the B. C. Power Corp., brought the fourth unit of 18,000 h.p. capacity into commercial operation early in the year at its Jordan River station.

The same company has filed preliminary plans with the provincial authorities for the development of the Campbell River on Vancouver Island. These plans indicate an initial installation of 17,000 h.p., with an ultimate development of 157,500 h.p.

West Kootenay Active

The West Kootenay Power and Light Co. virtually completed its fourth development on the Kootenay River. This is known as the Corra Linn plant, which has an installation comprising three units of 19,000 h.p. each, to be ready for operation early this year.

The same company has made application to develop the remaining head in the Kootenay River below its South Slocan plant. This will be known as the Brilliant development and is expected to warrant an installation of about 30,000 h.p. The company has also continued its investigations of the Pend d'Oreille River development when installation of 350,000 h.p. is proposed.

Many Minor Plans

Other projects which have been under study during the year include a proposal of the British Columbia Electric Railway Co. to secure additional storage for its Barriere plant at Kamloops by installing a dam at North Lake on the Barriere River; a possible future development of Meziadin Lake and River by the Northern British Columbia Power Co. and a development of Phillips Canyon on the Elk River by the East Kootenay Power Co.; the City of Vancouver also continued its investigations of the power possibilities of the Cheakamus River.

Alberta Was Inactive

No new developments were undertaken in Alberta during 1931 but the Calgary Power Co. continued to extend its system throughout the province and also continued its investigation of water power and storage sites in various parts of Alberta, in contemplation of further developments when load conditions warrant.

The Saskatchewan Power Commission engaged a firm to report upon a hydro electric project on the Saskatchewan River near Fort La Corne about 60 miles east of Prince Albert. By the construction of a dam at this location it is possible to concentrate a head up to a maximum of 125 feet, and the report submitted to the Commission stated that a project for the development of 125,000 installed h.p. was physically and economically feasible.

In Manitoba two large hydro electric undertakings on the Winnipeg River were brought into commercial operation with initial installation.

Northwestern Operating

At Seven Sisters the Northwestern Power Co., a subsidiary of the Winnipeg Electric Co., formally opened its plant on July 15, with three main units each of 37,500 h.p., or a total installed capacity of 112,500 h.p. Eventually three more units will be added bringing the total to assigned capacity of 225,000 h.p. A steel tower transmission line of 110,000 volts, 63 miles in length, has been constructed to carry the power to Winnipeg.

Civic Plant Opened

At Slave Falls the City of Winnipeg completed the initial stage of its development and the plant was formally opened on September 1. The power station has been completed to house four units or half of the final development, the initial installation to consist of two 12,000 h.p. units and the ultimate capacity of 96,000 h.p. in eight units of 12,000 h.p. each. A 91-mile 132,000-volt steel tower transmission line has been built to carry the power to Winnipeg. At present this is being operated at 66,000 volts.

Manitoba Power Commission erected 86 miles of transmission lines during the year and connected the following municipalities to its system: Fenelon, Bonemah Beach, Whytewold Beach, Whitehaven Beach, Matlock Beach, St. Claude, Kenton, Lenore, Harding and Brawardine. The Brandon Power and Distribution System was acquired by the province on January 1, 1931, for the sum of $1,200,000. Altogether, the Manitoba Power Commission has now a total of 1,019 miles of transmission lines serving 63 towns and districts.

In Ontario activities during the year were practically confined to two large undertakings, one at Chats Falls on the Ottawa River and the other at the Canyon on the Abitibi River.

Chats Falls Development

The Chats Falls project is a joint undertaking by the Ontario Hydro Electric Power Commission, controlling the Ontario rights, and the Ottawa Valley Power Co., those of the Quebec side. The power station is designed for an initial installation of 224,000 h.p. in eight units. Provision is being made to increase this to 280,000 h.p., when flow conditions warrant. Construction work on the dam and the power station was virtually completed during the year and four 28,000 h.p. units have been installed and are now in operation. Work on the remaining units is under way. A 220,000-volt steel tower transmission line from Chats Falls to Toronto was completed and placed in operation.

Abitibi Canyon Progresses

At the Canyon on the lower Abitibi River, the Ontario Power Service Corp., a subsidiary of Abitibi Power and Paper Co., has a large development under construction. A high dam is being built in the rocky gorge which will provide a head of about 237 feet, while the plant has been designed to include five units of 66,000 h.p. each, or a total of 330,000 h.p. The Ontario Hydro Electric Commission has contracted with this company for 100,000 h.p. which will be delivered to the Sudbury Mining district over a 132,000-volt transmission line 250 miles in length. Good progress was made in construction operations during the year, work on the dam being well advanced and the transmission line completed from Hunda to Sudbury. It is expected that power will be ready for delivery in the autumn of 1932.

At Sault Ste. Marie the Great Lakes Power Co. installed a new unit of 2,200 h.p. in its hydro electric station, replacing three smaller units of 350 h.p. each.

Quebec Sets Pace

Hydro electric work in Quebec was active during the year and there are a number of projects still in the construction stage.

As already mentioned, the Ottawa Valley Power Co. and the Ontario Hydro Electric Power Commission have brought into operation the Chats Falls plant with four units of 28,000 h.p. each.

Alcoa Plant Completed

The Alcoa Power Co. completed the Chute-a-Caron plant on the Saguenay River. The installation has a total capacity of 260,000 h.p. in four 65,000 h.p. units. This plant is the initial step in the Shipshaw development which is to have an installation of 800,000 h.p. under a head of 210 feet.

Gatineau Adds Unit

Gatineau Power Co. completed the installation of its seventh 34,000 h.p. unit in its Paugan plant on the Gatineau River, raising the installation of this plant to a total of 238,000 h.p. The company also extended its rural service by the construction of more than 26 miles of new lines.

The Municipality of Ste. Agathe des Monts replaced two units of 200 h.p. each in its plant on the North River by two new units of 300 h.p. capacity.

Shawinigan Building Plant

Shawinigan Water and Power Co. is making progress with its Rapide Blanc power development on the Upper St. Maurice River, with a view to having the plant in operation in November, 1932. The dam and power station sub structure has been practically completed and the power station super-structure will be started early in 1932. Four units of 40,000 h.p. will be installed at present, with provision for two additional units, making the ultimate installation 240,000 h.p. At LaGabelle on the Lower St. Maurice, the company placed in operation the fifth unit, completing the intended installation of this plant.

A new unit of 32,000 h.p. has a higher rating than the other four, bringing the total installation to 152,000 h.p. The company also has in view the renovation of its hydro electric plant on the Upper St. Francois River near Disraeli, a new plant of 14,000 h.p. to replace the present 4,000 h.p. development.

Construction work on the 500,000 h.p. Beauharnois development on the St. Lawrence has made rapid progress during the past year, it being now about three quarters completed. The power station structure and tail race have been finished and the installation of two 50,000 h.p. turbines has been completed while a third and fourth turbine, together with a generator, are in course of installation at present.

MacLaren Plant Progressing

MacLaren Quebec Power Co.'s 130,000 h.p. project at Masson Falls on the Lievre River has been under active construction. The dam is nearing completion; over one half of the diversion tunnel has been driven and the power station foundation is ready for the super-structure. It is expected that the plant will be in operation by the middle of 1933.

Ontario Paper Co. has continued construction work on its 40,000 h.p. hydro electric plant near the mouth of Outardes River. The dam, head works and intake are completed as is also the excavation for the power station.

N. B. Commission Expands

No new hydro-electric construction took place in New Brunswick during 1931. The New Brunswick Electric Power Commission, however, constructed a steam station at Newcastle Creek on the shore of Grand Lake, with an initial installation of 2,500 kw.h. turbo generators with provision for the addition of two units as required. The plant went into operation early in September, supplying power over two 33,000 volt transmission lines about 35 miles in length to Fredericton and Marysville. A 66,000 volt line, 62 miles in length, carries power to Moncton to increase the supply available from Musquash. This went into operation on November 20.

Hydro-electric construction in Nova Scotia was not as active in 1931 as in recent years but certain works were carried out chiefly in connection with existing systems.

Nova Scotia Power Commission constructed a new plant of 1,350 h.p. capacity at Rapid Falls on the Mersey River. This plant was constructed to increase the power available for the Mersey River and to supply the Markland and Mushamush systems of the Commission. This is a temporary development as it is intended to operate for only a few years until the construction of a proposed Deep Brook development, when both the Rapid Falls plant and the Guzzle plant immediately above it will be superseded.

Avon Has Plan

Avon River Power Co. increased the water supply available to its Black River plant by a diversion from the Gaspereau River which is the first step in the diversion scheme of considerable magnitude by means of which the regulated run of the Gaspereau will be delivered to the Black River generating station. The company also acquired the municipal plant of the Town of Middleton and extended its transmission line through Middleton to Kingston and also to Cheverie and Evangeline Beach.

Annapolis Royal completed the replacement of a 245 h.p. unit in its hydro-electric plant on the Lequille River, by a new one of 300 h.p. capacity. The Northumberland Light and Power Co. is extending its lines to Port-a-Pique and Bass River on the Minas Basin shore; this water has extended its lines down both banks of the La Have River and the Pictou County Power Board has constructed a line from Stellarton to Thorburn.

Nova Scotia Power Commission investigated a scheme for increasing the capacity of the St Margaret's Bay system, supplying Halifax some 16,000,000 kw.h. per annum by diverting the Ingram River into the Indian and North East Rivers. The Lake Ainslee project has been under further investigation.

Advertising Man

K. S. FENWICK

Who has had a wide experience as executive with important advertising agencies, has joined A. McKim Limited as an account executive at Montreal.

ENQUIRY BOARD WILL INVESTIGATE MINING INDUSTRY

Dominion Steel, Government and Mine Workers Co-operate

From Our Own Correspondent

MONTREAL.—Following a three day conference, representatives of the Government, Dominion Steel and Coal Corp. and United Mine Workers' executive agreed to the formation of a Royal Commission to investigate various phases of the coal industry in Nova Scotia, and especially to bring down findings which may serve as a basis of agreement between miners and the company in respect to wages.

The present wage agreement between the corporation and the mine workers expires at the end of January and a short time ago the former asked for a wage reduction of 12.3 per cent, but this was opposed by the Mine Workers' executive.

Following the decision to name a commission of investigation, the corporation agreed to extend the contract for one month, until March 1. This provision was accepted by the miners after Acting Premier Black had given assurance, on behalf of the government, that if the commission had not completed its work by March 1, the government would use effort to have the agreement further extended.

It is proposed to have as the personnel of the commission, Sir Andrew Rae Duncan, who, it will be remembered, headed the famous Duncan Commission which investigated Maritime rights; Hume Cronyn, and Dr. H. P. McPherson, who constituted the Coal Commission in 1925.

'32 MOTOR SHOWS AROUSE INTEREST

Montreal and Border Cities Fixed for January, Others Follow

Interest in the automobile models for 1932 is pronounced throughout Canada according to reports from automotive circles, and the outlook for the spring motor shows in the leading Canadian cities is bright.

First on the list is the Montreal Motor Show, which is to be held from January 23 to 30, under the auspices of the Montreal Automobile Trade Association, Ltd. According to Adelstan Levesque, general manager of the Montreal Show for many years past, manufacturers have applied for all the space available in the Stadium Building, where the show is held.

The Border Cities (Windsor) Motor Show has been announced for January 18 to 22, while the Ottawa Automotive Trades Association, Ltd., will hold its annual show from February 8 to 13. Dates for Toronto, Quebec, Winnipeg and Vancouver have not yet been announced.

B. C. May Distill Alcohol from Low Grade Apples

If the Dominion government can be induced to rebate the excise tax of $9 per gallon it is reasonably certain that a distillery will shortly be absorbing large tonnage of the cull and low-grade apples grown in the Okanagan valley, according to a recent report from Penticton, B.C.

It is estimated that an average of 8 gallons of alcohol can be produced from a ton of apples, and this would be used for the "fortification" of loganberry wine now being manufactured on Vancouver Island and sold largely through the provincial liquor control board and stores.

"The Larger Background of Canadian Economy is Progress"

"WE ARE STILL RICH IN OPPORTUNITY"

Sir John Aird, President, and Mr. S. H. Logan, General Manager of The Canadian Bank of Commerce, in Addressing the Annual Meeting of Shareholders, Review Canadian and World Industry, Finance, Agriculture and Trade.

THE BANK IN STRONG LIQUID POSITION

The President Speaks of the Soundness of the Canadian Banking System, Economic Unity within the Empire, International Finance, Canadian Agriculture, and Canada's Resources.

The General Manager Reviews the Bank's Statement—the Bank in an Even Stronger Position Than a Year Ago—Quick Assets 57% of Public Liabilities Against 55% Last Year.

The Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held at the Head Office in the city of Toronto on January 12.

After the reading of the Report the General Manager, Mr. S. H. Logan, and the President, Sir John Aird, addressed the meeting.

THE GENERAL MANAGER REFERS TO BANK'S SPLENDID LIQUID POSITION

The General Manager, in referring to the financial statement presented to the shareholders which showed, he said, the Bank to be in an even stronger position than a year ago, stressed the high degree of liquidity which characterized the Statement and which had evoked favorable comment from financial observers in both Canada and the United States. The ratio of quick assets to public liabilities had been increased from 55 to 57 per cent, of which nearly 20 per cent were cash holdings and bank balances, and that of quick assets to all liabilities from 50 to 51 per cent. He reviewed the main items of the Statement, pointing out that the decline in total deposits from 556 to 525 million dollars was to be accounted for by world conditions, bond investments and financial requirements abroad, that general business conditions had made some reduction in note circulation, commercial loans and advances under Letters of Credit, and that the increase in first-class security holdings had compensated for the reduction in call and short loans. With full provision for all bad and doubtful debts the net profits for the year were $4,775,000, and after payment of the regular 12 per cent dividend and the customary appropriations, there had been carried into the current year a slightly larger surplus than a year ago.

Mr. Logan then said:

A bank is called upon to perform two functions, which it is the business of the bank's management to correlate, one a function of trust, in safeguarding its depositors' and shareholders' funds, and the other of financial and commercial service in lending these funds for useful ends. There is no question in my mind but that the first is the primary duty. It has always been a principle of Canadian banking, and one which has never yet been broken with impunity, that a high percentage of the funds committed to a bank shall be realizable immediately or at short notice, and that its commercial loans shall be subject to prompt and periodic liquidation. For this reason I have stressed the high ratio of our quick assets to our liabilities.

Canadian and World Industry

World industry has continued the downward course upon which it entered in the mid-summer of 1929. The recession has been most marked in the United States, Germany and Sweden, though the decline in Germany was not so great as might have been expected in view of her serious financial difficulties. In Great Britain there was practically a continuous decline until the latter part of the year. France, despite her supposedly impregnable position, lost so much ground as to be drawn well into the current of world depression. In Canada the reduction in industrial output was relatively less than in some of the major manufacturing countries. The decline in 1931 was about 17 per cent as compared with 20 per cent in 1930, while the fall in the general price level was 12 per cent as compared with 18 per cent in 1930. In agriculture we have had to contend with lower prices and smaller grain crops in the West, but the latter were at least well above those expected early in the growing season, and those of Eastern and Central Canada were generally satisfactory.

Turning to primary industries, apart from agriculture, the world production of lumber was about 30 per cent less than in 1930, that of the United States declining nearly one-third, that of Northern Europe—Russia and the Scandinavian and Baltic countries—about one-quarter and that of Canada between 20 and 25 per cent. From preliminary reports it appears that the world output of newsprint declined by only 6 per cent, a fairly large decrease in some European countries being partly offset by an increase in Sweden and Finland, while production in the United States dropped by 10 per cent, and in Canada by 12 per cent.

Canadian and World Mining

It is in the sphere of world mining that Canada shows to the best advantage. As is well known, this country, with a gold production valued at 55 million dollars in 1931, is now the second largest producer of the yellow metal. But this fact assumes greater significance if it is considered that our gold mines, by increasing their output by over 500,000 fine ounces, have been mainly responsible for a larger world supply than in 1930. A continued rise in Canadian gold production is most probable, for taking into account only those properties upon which development is well advanced, the proven ore reserves have an estimated value of at least $200,000,000, and the potential reserves may yield greatly in excess of that amount. Apart from nickel, the supply of which from this country—the major source—dropped by more than one-third in 1931, the world's non-ferrous base metal industry operated at a level about one-fifth below that of 1930, and while the Canadian production of lead declined proportionately, that of copper was reduced by only 4 per cent and that of zinc by 12 per cent. Despite the record low prices of base metals most of our producers have been able to make small profits, in contrast with generally unprofitable operations in some other countries. In non-metallic mining there was a decline in Canadian coal of 20 per cent as compared with one of 13 per cent in all other countries for which statistics are available; of one-third in asbestos from our mines; and an increase of 2 per cent in petroleum from our oil fields.

World Trade

From all the available evidence the startling fact appears that world trade has suffered in this depression its greatest contraction in the last fifty years. During 1931 the decline in the volume of world exports was about 15 per cent, Sweden, the United States, Great Britain, India and Canada showing, in the order named, the largest losses. In volume of imports the most marked reductions were in Germany, Poland, Canada, Italy, and the United States, again in the order named.

An unfavorable visible balance in Canadian foreign trade of over 100 million dollars for 1930 has been reduced to less than 10 millions, from which development, and from a succession of favorable balances in the latter half of 1931, we should derive the satisfaction that, internationally speaking, we are now living within our means.

Lower Imports

In volume, imports fell by about 25 per cent and exports by nearly 20 per cent. Smaller imports of grains, butter, hides and raw tobacco are almost wholly, and those of meats, copper and motor vehicles are partly, explained by a greater use of domestic products. Reductions in our purchases of cotton, rubber, iron and steel, electrical apparatus, machinery and coal are representative of the lessened requirements of Canadian industry, while those of farm implements indicate the low purchasing power of agriculture. The textile mills using silk and wool imported slightly larger quantities of these materials.

Our Exports

In 1931 we increased our exports of grain, selling 237,000,000 bushels of wheat alone and, despite acute competition, holding first place in the world wheat trade, but the financial returns from all grains and their products were about 80 million dollars less than in the preceding twelve months. Our export trade in rubber manufactures suffered both as to quantity and value, as was also the case with meats, lumber, fish, metals, automobiles and machinery, while foreign sales of tobacco and some dairy products were increased. Exports of newsprint fell in proportion to the decline in production already noted, but the decrease in value, 25 million dollars, was relatively greater.

Foreign Exchange

Trade does not thrive under such unstable exchange conditions as now exist throughout the world and with depreciated currencies so general no one country has much, if any, advantage over another. There is a direct connection between the international value of the Canadian dollar and the British pound, and therein is one of the major causes of the discount in Canadian funds in New York. But in the last analysis the supply of New York funds in Canada has not been equal to the demand for them. It should be a matter of national pride that this country, of necessity in the past a large borrower, has been able to meet its external debts, increased by the premium on American funds, at a time when at least 2 billion dollars of other foreign government securities and interest payments are in default, and also that following large-scale liquidation of securities those issued by the Dominion Government stand among the highest on the New York quotation list. Our ability to maintain this enviable record and to justify other people's strong faith in us, as well as to meet maturing external obligations, depends in no small measure upon the success we achieve in balancing government revenues and expenditures, Dominion, Provincial and municipal. Apart, therefore, from consideration of taxation, economy in public expenditures should be the watchword.

Looking Ahead

Canada not only has a comparatively good business record during the last two years, but having entered this period of depression somewhat earlier than most other countries is probably further advanced in the readjustment required in such times as the present. We may, therefore, be nearer to better conditions than is generally realized, though frankly, I cannot say just when prosperity will return. Upon a great mass of war liabilities there has been piled, through easy-money conditions, over-borrowing and general extravagance, a fresh debt burden that prevents a part of the present generation purchasing goods in large quantities.

World Difficulties

Intermingled with the difficulty of repayment, when times are hard, are the after-effects of unsuccessful attempts to fix commodity prices and to stabilize exchanges by artificial means, reparation payments impossible of collection, armaments and tariffs provided at the expense of trade and gold reserves that do not function properly. But the lessons from past errors are bringing a return to sane business methods and the international problems that stand in the way of recovery are under earnest consideration by all the leading governments concerned, with the promise of marked progress towards at least partial solution. No scheme of things is perpetual, and prosperity will again come to those who earn it by thrift and persistent efforts to improve efficiency.

THE PRESIDENT, SIR JOHN AIRD, SPEAKS OF SOUNDNESS OF CANADIAN BANKING SYSTEM

When addressing you a year ago I said that among the hopeful signs pointing to economic recovery were conferences of leaders in finance and politics, having for their object the removal, or at least the easing, of depression. The results I expected have not been realized, but notwithstanding that the unfavorable and complicated world events of the past year make definite prediction impossible, Canada seems to be moving steadily, though slowly, toward economic improvement and recovery.

Obstructions to International Commerce and Finance

Back of all the immediate causes of this depression are the disintegrating forces released by the war and its settlement. The remaking of the map of Europe added 7,000 miles of tariff walls, behind which new industries were established based on extreme nationalistic ideals rather than sound economics. Tariff-making, extending to practically every commodity and adopted by almost every country in the world, developed to such an extent that the 1927 World Economic Conference urged that it be ended, an admonition that might have been heeded if the United States had not shortly afterward undertaken to raise its tariff. So, nations have sought to prosper at the expense of, instead of in co-operation with, each other.

Gold's Useful Purpose

The world's monetary system as a whole could have held the general price level at least one-third higher than in 1913, for until 1928 the operation of the gold reserves of both Great Britain and the United States was so efficient, even in the face of tariff restraint upon trade, as to diffuse capital and credit throughout the world and so maintain distribution of goods in pace with their production. From 1928, however, the large gold takings of the United States and France have served no useful purpose in international trade, although the former country might have again become an international lender—perhaps a more cautious one—had not its tariff and disturbed politics abroad intervened. In the case of France practically all outward capital movements have been of short-term money.

Under the conditions outlined it is no cause for surprise that gold, which in the past so pre-eminently served as the monetary standard in all periods save those of most abnormal economic stress, should have failed in the full discharge of its function in redressing international trade balances, and that Great Britain and many other nations should have been forced to depart temporarily from it as the basis of their financial systems.

Soundness of Canadian Banking System

It is a real cause for thankfulness that while severe financial storms raged in Continental Europe, Great Britain and the United States, the Canadian banking structure has stood firm and unshaken. Banking as practised in different countries presents varying elements of strength and weakness, depending upon the laws by which it is governed, its flexibility, and, above all, its management. If criticism is to be made of banks, particularly of reserve institutions, it should be on the score that in attempting to promote the growth of trade, and political and economic peace, they have at times made credit too cheap, or at least not sufficiently dear to prevent the flow of some of it into unsafe channels and to check speculation and over-expansion generally.

Instalment Buying and Speculation

I disclaim any quarrel with the various forms of credit used for business, but it is now quite plain that purchasing in anticipation of income, the real definition of instalment buying, was largely responsible for industrial expansion in former years that cannot be maintained in a period of declining income. Important changes are now promised, however, in the New York money market, through which it is planned to exercise stricter control over speculation, not only by denying corporation funds entry to the call loan market, but also by developing acceptance business, that is, the discounting and re-discounting of bills resting upon trade transactions. If these measures prove successful, frenzied speculation may be prevented in the future, and international trade stimulated, with advantages to all concerned and with considerable prestige to New York as a money centre. Through such changes also, and with co-operation from investment bankers, industrial over-capitalization may be avoided, or at least curtailed.

The American banking system as a whole has been severely tested during the past year, but the largest and best managed commercial institutions have given ample proof of strength and a number are among the soundest banks in the world, while the Federal Reserve Bank was able recently to meet without the least strain what was probably the greatest demand for monetary gold ever made at any one time.

Stability of Branch Banking

Canadian banks through adherence to sound principles of banking, not only in the extension of credit, but in the maintenance of strong liquid reserves, have saved this country from serious financial disturbance, and present again an illustration of the stability of the branch banking system in times of world depression, not less marked than its flexibility and adaptability to all reasonable requirements in periods of expansion.

Economic Unity Within the Empire

By reason of the nationalistic tariff-making to which I have referred and the general trade and financial conditions prevailing throughout the world, the question of promoting greater economic unity within the British Empire has again arisen under more promising circumstances than have existed since the subject was first seriously discussed fifty years ago. True, the legal ties have been loosened, and there are conflicting interests within the organization, but I pass on to you some observations on the Empire question by two eminent European observers. The one states in effect that it is almost incomprehensible that the present uniquely favorable opportunities of organic union be not fully utilized, while the other says, "When England changes, we say she is dying, and it is never true. The Empire, and the spirit of England on which it thrives, has unlimited powers of adaptation and life."

Empire Possibilities and Reserves

More closely united, the Empire could be a powerful force in restoring normal trade. If need be, the Empire could establish a monetary system of its own, but it also could re-establish unaided a gold standard. The Empire now furnishes each year about three-quarters of the world's new supply of gold and it might, if circumstances warranted, and as has been the case in the past with South African gold, exercise first claim upon this production of years to come. No more striking example of the financial reserve powers of the Empire has been furnished than the recent gold exports to London of 20 million pounds sterling from India, with additional shipments in sight from a store that may be as great as 2 billion dollars. It is safe to surmise that most, if not all, of any reduced output from the Rand will be made up by Canada. I hold to my prediction, expressed a few months ago through the press, that the value of Canadian gold production will be about 100 million dollars ten years hence, almost double that for 1931.

Canada's Gold Output

Within the past year only a few of the world's important gold producing countries increased their output of this metal, the largest increase being in Canada, which has not reached the limit of its productive capacity from the mines now operated, and which offers the best opportunities for new discoveries of gold. Canada's gold production has proven and will continue to be a factor of inestimable value to the Dominion in enabling us to redress our international trade balances, and in meeting the burden of our external obligations in a period when fresh borrowing is practically prohibited owing to prevailing credit conditions in foreign money markets.

World Problems

Each nation has a host of problems of its own, interwoven with and bearing upon those of universal character. But if these problems seem greater than ever before there is a larger fund of experience and, I hope, a higher intelligence to draw upon. Early settlement of the immediate problems, those concerning reparations, war debts and the financial safety of Central Europe, depends largely upon public opinion in France and the United States. It should be quite apparent to all, and to France in particular, that revision of reparations is justified, first, because a sharp decline in the general price level has made the Young Plan more burdensome than the Dawes Plan, and secondly, because a nation like Germany cannot be kept impoverished without serious injury to her neighbors.

German Debts

It should also be quite clear that settlement of German private debts must precede that of reparations if payment of the latter, even on a modified scale, is to be resumed. Further, industrial Europe faces the question of how it can reconcile a large industrial output with high protection against foreign agricultural products, the United States how long it can continue in the impossible position of a high tariff country and a world creditor to the extent of 20 odd billion dollars, and Great Britain what success she can attain in her efforts to place her exporting industries on a better competitive basis than formerly. Superimposed upon this mass of difficulties is the problem of rebuilding the world's monetary system so as to end the violent exchange fluctuations which now handicap world trade.

A Modern Form of Barter

The monetary mechanism of Central Europe has all but collapsed, a number of countries having found it necessary to make reciprocal arrangements with each other for the exchange of goods, imports being offset against equivalent exports through some governmental or financial agency. This, in effect, is a modern form of barter, and a cumbersome method of trading, but a natural result of the present lack of an international standard of value. It is, however, encouraging to reflect that the causes of all these difficulties are becoming more fully and more widely understood, and that the best intellects in the realms of statesmanship, commerce and finance are engaged upon the problem of their amelioration.

Taxation

Our own problems, although light when weighed with those elsewhere, press heavily upon us. The fear that prompted my warning last year against continued large government expenditures has become a reality. A taxation structure which in its entirety is about 30 per cent greater than that of ten years ago must now be further enlarged, and this at a time when the country's tax-paying power has declined. The tax-paying public is, therefore, justified in urging the greatest possible economy on the part of all the government authorities, while the latter may rightly ask that the demands upon them by the public be limited to the minimum.

Canadian Railways

The railway problem is now in the hands of a highly capable commission whose report we await with anxious interest. Railway over-expansion is common to new commercial countries and is part of the price that Canada has to pay for unifying, with compensating advantages, half a continent, the topography of which all but defied its political federation. As a result, this country, with one-twelfth the population of the United States, has one-sixth its railway mileage, or more than that of either Germany, France, Great Britain or India, and but little less than that of Russia. Yet the increase in mileage in Canada of 43 per cent since 1913 was until 1929 practically matched by increased traffic. The railways have lost some revenue through the rival operation of trucks and buses and face further competition from this source, but their major difficulties seem to be due to the lessened traffic resulting from business depression and to competition between themselves to provide services that only the greatest prosperity could support.

Canadian Agriculture

The agricultural community has borne the brunt of depression in Canada, but has made the greatest progress towards overcoming it. Responding to the appeal to diversify their practice as much as possible, the prairie farmers have added considerably to their holdings of hogs and sheep, and slightly increased those of cattle during 1931. Butter production expanded by at least 25 per cent. The most notable achievement, however—though it may have been forced economy—was in grain production costs other than fixed charges, which, according to special reports made to the Bank, show a reduction in some cases of as much as 50 per cent since 1929, and on the average about one-third.

The Farmer's Problems

The farmer, of course, has not yet overcome all his problems. The grain market prospects are reported to the Bank by some of the best authorities as brighter than a year ago, but there are important qualifying factors, namely, that wheat is a political element of the first order, particularly in Europe, where the desire for independence of the overseas product is still strong, and where the financial situation is still precarious. The most definite factors which favor the Canadian grower, at least as far as the current year is concerned, are large acreage reductions in other exporting countries, first in Argentina and Australia, and more recently in the United States.

Diversified Farming

The long-range view of the grain markets is, however, still so uncertain as to demand increasing attention to all possible diversification of farming in the West, and otherwise to the strengthening of agriculture in that part of the country, through such measures as the formation of the Dominion Agricultural Credit Company Limited by the railway companies, the banks and other institutions. The requirements are not only for as much self-sufficiency as a farmer can attain, but for the greater use of low-grade grains for conversion into live stock, dairy and poultry products, first, to displace imports of grains, and secondly, to rebuild on a large scale the export trade in meats and butter which we lost some years ago. What an opportunity we missed then! Witness the fact that the per capita consumption of butter in Great Britain increased between 1913 and 1928 from about 10 pounds to nearly 15 pounds; of beef from 22 to 33 pounds; and of bacon and ham from 14 to 23 pounds.

Prices and Purchasing Power

There is a challenge in the farmer's record of the last two years to those who supply him with goods. According to a special analysis based upon the actual value of agricultural products the farmer's purchasing power has declined by more than one-third since 1929, while the spread between the general level of raw material prices and that of the prices of manufactured goods in Canada is greater than in a number of other countries. The history of prices will probably repeat itself and raw materials rise somewhat in value, but the purchasing power of the farmer will not be restored to normal until retail prices are lowered still further, the responsibility for which rests both upon labor and its employer. The general attitude of labor has been conciliatory and the actions of certain trade unions in accepting, even in offering to accept, lower rates is greatly to be commended, but there is still much to be done before the cost of goods can be reduced and they are again within easy reach of the farmer.

Lower Costs

Apart from the steep decline in the farmer's income, there has been a depreciation in capital of about 30 per cent during this depression, a figure arrived at by comparing the capitalization shown in the balance sheets of fifty companies with the recent value of this as shown in stock market quotations. In effect, if the public had to realize upon its investment in these companies it would receive 30 per cent less than it put into them. Therefore, the greatest hope for labor is a widening of the market for the goods it produces, and that expansion can come through lower costs which would benefit labor, as they would all other classes.

Democracy and Capitalism Allied

Can we regard as serious the statements that democracy and capitalism have failed, and that these systems should be overthrown in favor of some scheme which would chain people to a huge treadmill, as in Russia? Democracy is government by public opinion. Most of the democratic countries are able to borrow on public faith alone, their securities are given the highest credit rating, and they have a wider distribution of wealth among their people than elsewhere.

Capitalism goes hand in hand with democracy. It has been mainly responsible for the command that we now have over nature and science and for unifying the world with its 800,000 miles of railway lines, 70,000,000 tons of shipping vessels and a network of transmission lines and stations that flash messages over the globe.

The Benefits of Capitalism

It has been the chief force in turning iron into steel, and coal into numerous by-products, and in the development of mechanical power so that a few men with machines have a productive capacity far above that of a myriad of slaves in the days of Imperial Rome. Some further results of capitalism are that during the last century the world production of wheat has been raised from about half a billion bushels to over four billion, while the output of copper increased twenty and that of lead sixty fold. All classes have shared in the benefits of capitalism and its advantages over-balance its disadvantages.

Canada's Resources

The position of Canada in this organization of democracy and capitalism has become more important with the passage of time. The larger background of Canadian economy is progress, though the vivid pattern of depression shows up at times. Our prairie land is one of the four great grain belts on the globe, and while its climatic conditions are against even yields and it is far from the seaboard, its average yield per acre of the best bread wheat is higher than the world average of all wheats. We make sparing use of our iron ranges and coal beds, the latter estimated to contain one-sixth of the world's reserves of this fuel, only because there are cheaper and more convenient sources elsewhere. Our forests, the second largest in the world, are the scene of the most advanced manufacture of wood, a material which has two thousand known uses and a possible range of twice that number. Not only are our mines among the leading producers, but their ore bodies are either so large or so rich that they are in a preferred position. For example, the world's average copper content in the known ore reserves is 2 per cent, while that in the deposits of Canada is about 3 per cent, and according to a noted American authority the major lead-zinc producer in this country should be the least affected by depression.

Rich in Opportunity

Natural forces will triumph over all attempts to defeat them and a country like this will again surge forward. Depression, instead of proving fatal to business initiative, will develop an incentive to invention and management. The pressure of economic forces and the attractions of the younger commercial nations, like Canada, will cause a new wave of migration from over-crowded countries. There is no other part of the world that stands to gain more from the operation of these forces than ours. We are still rich in opportunity.

So, I reaffirm my faith in Canada. It is a faith based not upon mere patriotic motives, but mainly upon the more than sixty years that I have spent as a servant of business and finance, which has been a period of great, though occasionally interrupted, progress. I envy those Canadians who have a lease on the next half century, for they will see their country advance to a still higher place in world business.

Insurance for Buyer and Seller

DISABILITY PLANS MAY STILL HOLD MANY SURPRISES

London Life Definitely Plans to Retain Benefit in Some Form

OTHERS ON FENCE

Many Know Plans But Won't Tell Awaiting Formal Feb. 1 Announcements

General uncertainty still exists among Canadian life insurance companies regarding the fate of the disability clause on February 1, although many leading Canadian companies have definitely decided to abandon the clause as at the beginning of next month, The Financial Post learns.

London Life and Confederation Life are the 2 most important companies whose names are mentioned as still planning to continue the benefit but enquiry at the head office of the latter company reveals that no final decision has been made. It is known, however, that officials of the Confederation Life hold strongly to the opinion that a modified disability clause can profitably be handled as part of the life insurance contract if properly written and that this service is a desirable and perhaps even necessary branch of assurance. The company is not going to make its decision till the last minute, however.

London to Remain

E. E. Reid of the London Life confirms that his company will not abandon the disability clause but that in all probability in the near future a modified contract will be announced effective on new contracts which will limit the disability benefit to $10 per thousand monthly. In the meantime the control will remain unchanged.

Just how many companies will jump back into the disability fold at the last minute it is difficult to say, but it would not be surprising if many did so when they find that this powerful weapon for competitive selling is going to still be retained by a few of the leading companies. Many companies queried by The Financial Post said they had already made up their minds as to what course of action to pursue but that they would not make their decision public until the last minute.

Big Sales Factor

In the meantime sales of life insurance will probably show a high figure for January and probably for December, as many leading companies such as the Mutual Life of Canada have told agents that they cannot promise to give any disability benefit after February 1. Recalcitrant purchasers are thus being urged to get aboard before this very desirable clause in insurance underwriting is reduced to a mere waiver of monthly premiums in the event of the policy holder becoming disabled.

Leading United States companies operating in Canada have already dropped disability benefit, the Travellers being one of the first to take this step effective November 15, with Metropolitan bringing the change into effect as at Jan. 1 of this year. Also some leading Canadian companies operating in the United States are understood to have either dropped this feature on all U. S. policies or to have such action in contemplation irrespective of what they do in the Canadian field.

Heads of Big Concerns Discuss Common Stocks

Sir Joseph Burn and Frederick Ecker Hold Opposite Views on Important Insurance Topic

One of the livest and most controversial phases of insurance investment is the problem of whether or not life insurance companies should invest in common stocks. In Canada the question is continually to the front in insurance circles because of the fact that Sun Life Assurance Co., one of the largest companies in the world has been the leader in the common stock movement and has invested approximately 50 per cent of its total assets in this type of investment.

This week two interesting opinions on this type of investment have appeared one in the form of an interview in Canadian Insurance with Sir Joseph Burn, president of Prudential Assurance Co. of England, one of the biggest and most successful insurance companies of the world, and an entirely diverse opinion from Frederick H. Ecker, president of the Metropolitan Life, an equally outstanding company on this side of the Atlantic, and one which has been consistently opposed to common stock investments. The Ecker interview appeared in the United States Chamber of Commerce publication, "Nation's Business."

FREDERICK H. ECKER

"At the annual convention of the Association of Life Underwriters in Washington on Sept. 26, 1929 I explained why I believed that life insurance companies should not invest in common stocks. Some three weeks later an advocate of the purchase of interests in the equities as life insurance investments addressed the American Life Convention on the subject 'Should the portfolio of a life insurance company include common stocks?' That speaker said:

"If you would allow a few of the best applicants in now, learn to choose them, associate with them, learn their habits and companions, I feel sure that you would not in time turn your cold shoulder to them as Mr. Ecker did a month ago! The greatest obstacle is the fact that you do not really know the common stocks I am asking you to associate with."

Depreciated 57 Per Cent

"The speaker listed between 40 and 50 common stocks which I think any experienced investor would characterize as a most select list. Such stocks had either no bonds or practically no funded debt ahead of them. They were the stocks of outstanding companies. Both before and since that list was presented, these companies, for the most part, have been well managed.

"Recently I got some figures on those stocks. They were significant.

"The average depreciation in market value of those stocks between the date of the address and June 30, 1931—some 20 months—was 57 per cent.

"I submit that the list which that speaker advocated has been demonstrated to be unsuitable for the purpose of life insurance investment. Considering the exceptional character of those common stocks, I submit that this amply demonstrates that this class of securities does not and will not meet the requirements of life insurance.

"In expressing this view, I must not be understood as being opposed to common stocks, as such, nor to that form of investment for certain purposes, but I do assert that they are not the type of assets which should be included in a life insurance company's portfolio."

SIR JOSEPH BURN

"Experience leads one to believe that provided careful selection is made and the investments are sufficiently numerous and widespread, common stocks, if judged over a sufficiently long period, will give a somewhat higher return than fixed interest securities with at least as good security of capital, although, in judging the latter it is essential to take a group as a unit and not an individual security.

"At the same time it would be just as unwise to hold an undue proportion of common stocks as it would be to hold an undue proportion of any other class.

"Moreover, on account of the greater care and experience needed both in the original selection and the subsequent supervision, and the necessity of holding a sufficiently large number of separate securities to allow the law of average to have full play, it is probable that investment in common stocks is likely to be more successful in the case of a large company with widespread connection than a company with limited funds."

QUEBEC ACTION RAISES ANEW INSURANCE FIGHT

Early Legal Battle Forecast by Quebec Report

Although no confirmation from provincial government sources can be obtained, the news that Quebec plans an entirely new act to control the operations of foreign, provincial and federal insurance companies in Canada, is believed to be substantially correct.

In view of the fact that British Columbia and Ontario were associated with Quebec in taking the jurisdiction matter to the Privy Council it is probable that similar action will be taken by these provinces when their legislatures meet.

Announcement from Quebec follows quickly on the statement issued from Ottawa a few days ago that an entirely new federal act was being planned which it was believed would again give Ottawa complete control of insurance in Canada and would restore much if not all of the ground lost through the famous Privy Council decision of last fall which undermined federal authority in this respect.

In view of what is going on in old Quebec another expensive legal battle looms unless the federal government decides to abandon its present position in this field.

The Quebec statement as published by Canadian Press from the Montreal Star is as follows:

"Authority to control insurance companies doing business within the province of Quebec, recently transferred from the Federal Government to the provincial legislature by a decision of the Privy Council, is to be obtained immediately, it was learned through a reliable source. A remodelled insurance Act, based on the province's new powers is to be introduced on the opening day of the coming session, it is understood.

"According to its provisions, insurance companies doing business in this province, whether their charter is foreign, federal or provincial, will have to submit to inspection by employees of the Quebec insurance department, and transfer their money deposits from Ottawa to Quebec.

"Another provision will make it impossible for other than registered insurance agents or brokers to operate in this province.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
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Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.
This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
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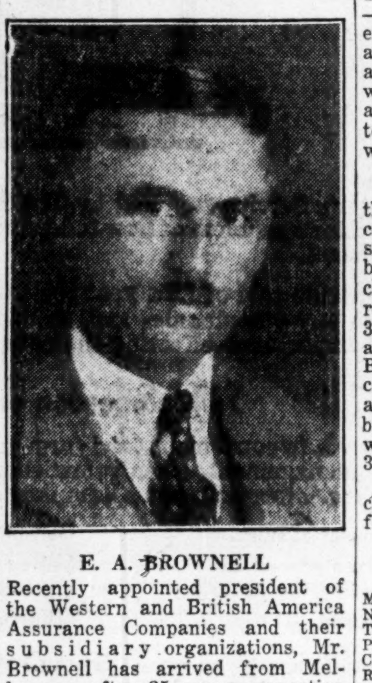


E. A. BROWNELL

Recently appointed president of the Western and British America Assurance Companies and their subsidiary organizations, Mr. Brownell has arrived from Melbourne, after 25 years connection with the Australian head offices of the companies, to take up his duties at the head office, Toronto.

IMPERIAL GUARANTEE AND ACCIDENT INSURANCE COMPANY
AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE · FIRE · MARINE
ESTABLISHED A·D·1905

SUN ASSURANCES OVER 3 BILLION AT END OF 1931

Big Canadian Life Company Says Assets Over $600,000,000

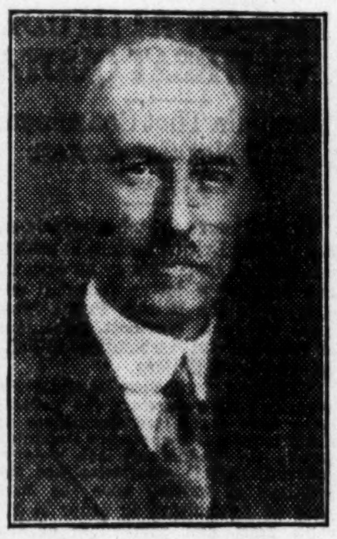
Life assurance in force with the Sun Life Assurance Co. of Canada passed the $3,000,000,000 mark during 1931, it was announced. New paid for business during 1931 also amounted to over $500,000,000, while income shows a substantial increase over 1930 and is estimated to be not much under $200,000,000. The company also reports that during 1931 the United States officers of the company paid for the greatest amount of business that has been written in that territory in any year with the exception of 1929. The company has been operating in the United States for 33 years.

During 1931 the company made new investments of well over $50,000,000, including Government bonds valued at over $23,000,000, while total assets are now more than $600,000,000. During the year the company also paid policyholders over $90,000,000, bringing total amount paid since organization to policyholders to $590,000,000.

The company also reports that it has just closed one of the greatest weeks in its history, writing over $22,500,000 paid-for business. Of this amount $6,000,000 represents group insurance. In one day alone the company wrote over $8,000,000 of business.

During 1930 the company paid for insurance worth $705,000,000 and at the end of the year had in force approximately $2,863,000,000 of busi-

Casualty Manager



GEORGE WEIR

Whose appointment as casualty manager for Canada of the Phoenix Assurance Co., of London, and the Union Marine and General Insurance Co. is announced. Mr. Weir, as manager for Canada of the London Guarantee and Acci-

Auto Responsibility Law in N. B.

New Brunswick's automobile responsibility law went into effect January 1. All car owners who have committed offences having to do with a motor vehicle, or failed to pay damages exceeding $100 for accidents for which they were responsible, will have drivers' licenses forfeited until proof of financial responsibility can be shown.

Group Insurance Mooted for Regina Students

A proposal for group insurance among students attending the Regina Collegiate was mooted at a meeting of the Collegiate Board held recently at that city.

In advancing the idea of group insurance for students it is said that parents of some pupils would send doctors' bills to the board when their children were hurt on the school grounds, that the board could protect both itself and the children under the insurance plan.

Two kinds of insurance were adadvanced, one legal liability and the second a form of group insurance. Investigation is to be made before further action is taken.

Weekly Bank Clearings

Eastern Cities

	Jan. 8, 1931	Jan. 7, 1932
Saint John	$ 2,698,325	$ 1,928,019
Moncton	905,963	871,102
Sherbrooke	854,955	560,129
Quebec	6,816,212	4,639,640
Ottawa	7,384,880	6,068,827
Montreal	132,053,699	75,636,800
Kingston	1,094,747	770,909
Peterboro'	1,071,398	908,824
Toronto	133,132,263	89,487,661
Hamilton	6,653,205	4,495,172
Kitchener	1,583,385	1,209,276
Brantford	1,445,183	992,655
London	4,495,711	3,749,931
Chatham	1,045,274	484,745
Windsor	3,645,922	2,756,037
Sarnia	971,236	561,048
Sudbury	847,413	537,765
Halifax	4,237,346	2,812,170

Western Cities

	Jan. 8, 1931	Jan. 7, 1932
Fort William	$ 864,649	$ 648,652
Winnipeg	47,587,169	33,826,681
Brandon	561,353	379,043
Moose Jaw	1,342,591	869,590
Regina	5,507,966	4,358,240
Saskatoon	3,350,659	1,971,325
Prince Albert	528,642	397,733
Edmonton	6,662,561	4,796,169
Calgary	8,358,963	5,267,678
Medicine Hat	291,181	220,959
Lethbridge	482,732	348,359
Vancouver	20,941,870	13,372,428
Victoria	2,626,101	1,754,043
New Westminster	837,930	575,313

Current Events in Banking World

SAVINGS DEPOSITS AT LOWEST POINT FOR FOUR YEARS

November Returns Reveal Drop in Month of $66,500,000

ALL BANKS SHARE

Subscriptions to National Service Loan Probable Cause of Big Withdrawals

Savings deposits in the ten Canadian chartered banks at the end of November touched the lowest point since September 1927, the total being $1,395,829,124, according to an analysis made by The Financial Post of the monthly returns made to the Minister of Finance. This figure was approximately $42,783,000 or nearly 3 per cent less than that for November, 1930, and still another $14,500,000 below November, 1929. The peak was established in January, 1929, with $1,526,000,000.

The November decrease was shared by all the banks, in varying degrees, with the exception of Barclay's Bank (Canada) Ltd., whose volume, however, is not yet of significant proportions.

Monthly Trend Shown

In order to interpret the above statement intelligently it is necessary to know something of the monthly trend of deposits, and in order to do this the following table has been prepared, showing the month-by-month total of savings deposits for the second half of the past three years:

Savings Deposits—Fiscal Half-Year
(000 omitted)

	1931 $	1930 $	1929 $
July	1,451,276	1,402,028	1,453,213
August	1,461,092	1,404,118	1,459,690
Sept.	1,455,519	1,419,642	1,470,512
October	1,462,308	1,431,864	1,470,046
November	1,395,829	1,438,612	1,453,061
December	......	1,425,845	1,434,405

From the above it will be seen also, that there was a significant drop in deposits between October 31—the high month for 1931—and the end of November in that year, this amounting to nearly $66,500,000, approximately 4½ per cent. This was doubtless influenced by transactions representing subscriptions to the National Service Loan, which was first offered on November 23.

Individual Reports

Comparing November, 1931, with the corresponding month in the preceding year the greatest decline in savings deposits was experienced by the Royal Bank of Canada, the change being almost 7¼ per cent, representing something over $21,343,000. The next largest percentage drop was shown by the Imperial Bank with deposits about 4½ per cent lower, but the second biggest amount of decrease was returned by the Canadian Bank of Commerce, whose deposits fell $11,399,000, or 3.86 per cent.

Changes for the whole of the ten chartered banks are shown in the following table:

Savings Deposits in Canada
(000 omitted)

	Nov. 1931	Nov. 1930	Ch'ge $	Ch'ge %
Montreal	$387,541	$390,573	— 3,032	.776
N. Scotia	127,358	128,832	— 1,474	1.144
Toronto	66,912	67,764	— 852	1.257
Provinciale	34,698	35,788	— 1,090	3.045
Commerce	283,504	294,905	—11,399	3.865
Royal	273,543	294,886	—21,343	7.237
Dominion	63,448	65,327	— 1,879	2.876
Nationale	88,299	89,874	— 1,575	1.752
Imperial	69,665	72,939	— 3,274	4.488
Barclay's	862	724	+ 138	19.06
	1,395,829	1,438,612	—42,783	2.974

Bank Chat

Bank of Commerce announces the following staff and branch changes:

F. C. MACDONALD, assistant inspector, head office, has been appointed inspector at superintendent's department, Regina, Sask.

J. R. HELM, manager at Mervin, Sask., has been appointed manager at Gladmar, Sask.

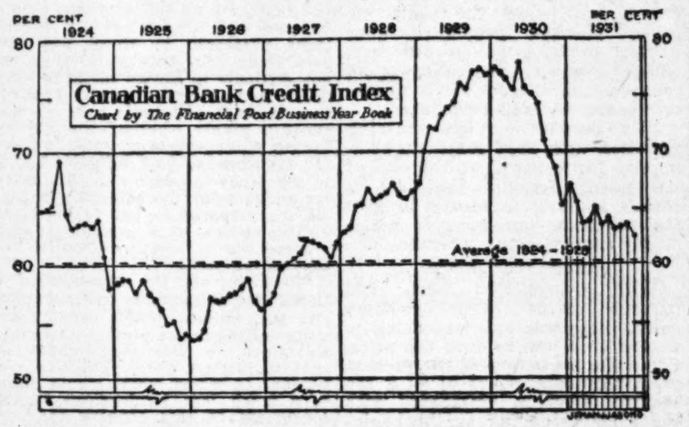
H. F. STEWART, manager at Gladmar, Sask., has been appointed manager at Richard, Sask.

In future the (Edmonton) South Branch of the bank will be designated as South Edmonton, Alberta, branch.

Montreal Port Collections Gain

An increase of $481,019 was made during December in the revenue collections at the Port of Montreal, according to Arthur Magnan, collector of national revenue in Montreal. The amount received in December, 1931, was $6,259,019, which brings the total for the nine months of the fiscal year to $65,820,440.

• Credit at February, 1928, Level



Above chart visualizes the monthly fluctuations of The Financial Post index of credit conditions as revealed by the returns of the ten Canadian chartered banks. The index figure is the percentage of current and call loans in Canada in relation to demand and savings deposits at the banks. The easing of the stringency since the high point in mid-1930 is clearly indicated.

Further Easing of Credit Shown by Bank Returns

November Statement Reveals Big Reduction in Current Loans—Holdings of Government Securities Make All-Time Record

A continuance of easy credit conditions in Canada is indicated by an analysis of the November returns made to the Minister of Finance by the ten chartered banks and denoted by a drop in The Financial Post index from 63.6 to 62.6 during the month.

* This index figure represents the percentage of current and call loans to demand and savings deposits in Canada, and the change is largely influenced by the very marked contraction in the volume of current loans. These dropped in November from $1,140,734,029 to $1,102,493,179—a reduction of nearly $38,250,000—to touch the lowest point since February, 1928. At the same time there was a notable decrease during the month in the amount of savings deposits at banks, these dropping about $66,500,000 to $1,395,829,124—the lowest point in four years.

Combined assets of the ten banks showed an increase of $75,733,108 during the month, mounting to over $3,133,000,000. This figure is, however, $121,600,000 below the total of the twelve-month previously. Among these, Dominion notes held, rose nearly $42,000,000 to $153,647,679. There was an increase in call loans abroad of over $22,000,000 in the month.

Holdings of government securities by the banks continue to grow, these having now reached $507,763,726, an increase of $19,855,185 on the month and $129,886,628 on the year since November 30, 1930. This is no doubt due, in some degree, to the acquisition of the National Service Loan bonds. Provincial and municipal loans were nearly $8,000,000 higher at $160,181,523.

On the liability side, there was an increase in the balances due to the Dominion government of over $73,300,000, again largely due to National Service loan commitments, and an increase in advances under the Finance Act from $24,500,000 to $66,000,000. Notes in circulation decreased about $7,400,000 to $145,533,231. Demand deposits by the public followed the usual seasonal trend in advancing, though the rise of almost $36,500,000 (to $617,038,655) was somewhat greater than the normal for the month.

ASSETS

	Nov., 1931 $	Oct., 1931 $	Change $	Nov., 1930 $	Change $
Immediately Available Liquid Assets					
Specie	87,610,799	69,949,595	+ 17,661,204	98,372,427	— 10,761,628
Dom. notes	153,647,679	111,859,982	+ 41,787,697	155,673,832	— 2,026,153
Gold reserve	25,380,866	26,730,866	— 1,350,000	36,580,866	— 11,200,000
Foreign banks	94,729,460	97,054,069	— 2,324,609	137,390,688	— 42,661,228
Foreign curr.	19,115,744	14,633,593	+ 4,482,151	22,990,429	— 3,874,685
Govt. secs.	507,763,726	487,908,541	+ 19,855,185	377,877,098	+129,886,628
Call loans ab'd	112,746,901	90,743,623	+ 22,003,278	193,491,067	— 80,744,166
	1,000,995,175	898,880,269	+102,114,906	1,022,376,407	— 21,381,232
Public secs.	155,122,880	148,573,831	+ 6,549,049	120,320,973	+ 34,801,907
Railway secs.	56,603,050	59,038,314	— 2,435,264	53,277,315	+ 3,325,735
Can. call loans	156,896,490	158,582,930	— 1,686,440	211,805,598	— 54,909,108
Current loans	1,102,493,179	1,140,734,029	— 38,240,850	1,183,723,359	— 81,230,180
Loans abroad	183,745,752	188,942,677	— 5,196,925	210,396,048	— 26,650,296
Prov. loans	42,049,351	38,343,852	+ 3,705,499	28,618,457	+ 13,430,894
Mun. loans	118,132,172	113,836,283	+ 4,295,889	94,655,854	+ 23,476,318
	1,815,042,874	1,848,051,916	— 33,009,042	1,902,797,604	— 87,754,730
Other Assets					
Non-curr. loans	10,893,742	11,143,290	— 249,548	7,384,718	+ 3,509,024
Real estate	6,421,626	6,271,121	+ 150,505	5,564,113	+ 857,513
Mortgages	6,218,383	6,347,220	— 128,837	7,075,832	— 857,449
Premises	79,852,150	79,546,742	+ 305,408	78,620,365	+ 1,231,785
Lets. of credit	58,942,809	61,778,607	— 2,835,798	84,161,951	— 25,219,142
Loans to comp.	14,378,759	14,468,660	— 89,901	11,753,604	+ 2,625,155
Other assets	1,723,446	1,835,788	— 112,342	1,728,921	— 5,475
	178,430,915	181,391,428	— 2,960,513	196,289,504	— 17,858,589
Total	2,994,468,964	2,928,323,618	+ 66,145,351	3,121,463,515	—126,994,551
Note cir. dep.	6,814,809	6,814,809	....	6,790,678	+ 24,131
Int. bank bal.	131,746,695	122,158,938	+ 9,587,757	126,413,553	+ 5,333,142
Gross	3,133,030,468	3,057,297,360	+ 75,733,108	3,254,667,746	—121,637,278

LIABILITIES

	Nov., 1931 $	Oct., 1931 $	Change $	Nov., 1930 $	Change $
To the Public					
Circulation	145,533,231	152,928,936	— 7,395,705	159,233,300	— 13,700,069
Dom. govt.	113,113,060	39,794,471	+ 73,318,589	65,052,136	+ 48,060,924
Prov. govt.	18,081,259	25,789,500	— 7,708,241	21,364,721	— 3,283,462
Gov't advances	66,000,000	24,500,000	+ 41,500,000	38,700,000	+ 27,300,000
Deposits by Public					
Demand dep.	617,038,655	580,592,700	+ 36,445,955	604,828,099	+ 12,210,556
Savings dep.	1,395,829,124	1,462,308,101	— 66,478,977	1,438,611,843	— 42,782,719
Total	2,012,867,779	2,042,900,801	— 30,033,022	2,043,439,942	— 30,572,163
Foreign dep.	320,208,199	301,950,691	+ 18,257,508	409,408,863	— 89,200,664
Due to Banks Abroad, Etc.					
Un. Kingdom	5,741,705	3,935,465	+ 1,806,240	7,505,987	— 1,764,282
Foreign	55,365,871	56,795,040	— 1,429,169	71,822,483	— 16,456,612
Bills payable	3,596,118	4,476,484	— 880,366	12,012,896	— 8,416,778
Lets. of credit	58,942,809	61,778,607	— 2,835,798	84,161,951	— 25,219,142
Other liab.	3,127,455	2,765,918	+ 361,537	3,994,818	— 867,363
Public liab.	2,802,577,486	2,717,615,913	+ 84,961,573	2,916,697,097	—114,119,611
Due bet. banks	10,056,036	10,222,810	— 166,774	13,483,660	— 3,427,624
Liability to Shareholders					
Dividends	3,516,055	1,347,931	+ 2,168,124	5,306,290	— 1,790,235
Reserve	162,000,000	162,000,000	....	161,177,418	+ 822,582
Capital	144,500,000	144,500,000	....	144,976,172	— 476,172
Gross	3,122,649,577	3,035,686,654	+ 86,962,923	3,241,640,637	—118,991,060
Credit index*	62.6%	63.6%	— 1.0%	68.3%	— 5.8%

*Ratio of current and call loans in Canala to demand and savings deposits in Canada.

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Canadian Pulp and Paper Industry

I. P. AND P. SAVES LARGE AMOUNTS BY SALARY CUTS

Further Economies Effected Through Operating Efficiency

From Our Own Correspondent

MONTREAL.—Salary and wage reductions put into effect in the autumn of 1931 will save International Paper and Power Co. $2,000,000 during the current year, according to A. R. Graustein, president of the company. While still larger economies are being effected through further increases in operating efficiency, he continues, the company will be confronted with lower prices for newsprint and many other products, so he refrained from attempting to make any definite prediction for 1932, particularly in view of unsettled business conditions.

President Graustein added that the company's Southern kraft mills, like its newsprint mills, are all of modern design, and include the largest and lowest cost producers in the industry. The older newsprint mills in the United States have either been converted to the production of other and more specialized grades of paper on which they can compete, or they have been shut down.

Retains Water Powers

In the case of many of these older mills, it is pointed out, there are appurtenant water powers that have been or can be effectively developed hydro-electrically for public utility purposes. Utilization of these water powers, he adds, is greatly facilitated by International Paper and Power Company's control of International Hydro-Electric System, which in turn controls Canadian Hydro-Electric Corp. and New England Power Association.

Though figures on earnings of International Paper and Power Co. for 1931 have not yet been disclosed; net revenue for the nine months ended September 30, 1931, was $31,203,867 compared with $30,471,610 in the same period in 1930. Balance available for the company's dividends, however, was lower by $374,000 at $1,871,294. After payment of dividends, now suspended, $238,729 was added to surplus while in the same period in the previous year there was a deficit of $3,825,610 on the same basis.

Powell River Reports Fair Outlook for 1932

From Our Own Correspondent

MONTREAL. — Powell River Co. reports the outlook for 1932 as fairly encouraging. Business in the past year was slightly under normal, but the company averaged five days a week of operation throughout the year.

At the beginning of 1931 the company's number 7 machine was cut in, while the Lois river power development began to supply power for production to the Powell river plant at the same time.

It is stated that the company also benefitted during 1931 through new market connections which it had made in the United States in the latter part of 1930.

Nova Scotia Pulpwood Output on the Upgrade

From Our Own Correspondent

MONTREAL. — Lumbering operations in Nova Scotia last year were carried on by 645 mills and production for the twelve months amounted to 166,037,463 feet board measure. This was a decrease of 58,401,180 feet board measure or 26.02 per cent from the production of the previous year.

Restriction of operations from the smaller to the larger mills is noted by Otto Schierbeck, chief forester for the province. He points out that in 1930 there were 835 mills in operation and only 645 mills during the past year. This decline is due to the fact that a large number of small mills, which normally cut from 20,000 to 150,000 feet board measure per year, did not operate.

Next in importance to lumber production was pulpwood production. Last year Nova Scotia produced 169,976 cords of pulpwood for export and 159,558 cords for local manufacture.

New Brunswick Lumbering Operations Making Progress

From Our Own Correspondent

MONTREAL. — Despatches from New Brunswick indicate that good progress is being made in lumbering operations in Restigouche County, where the largest woods operations of the province are being carried on. In Gloucester County there is a cut of some size for the Bathurst Pulp and Paper Co.

A steady reduction of stocks in the yards of the various sawmills in New Brunswick has taken place. This has not been uniform throughout the province, but is more noticeable in some quarters than others. The Fraser Companies have moved a considerable quantity and lumber still is being sold, though prices are not very encouraging.

Pacific Mills Operated Five Days Weekly in 1931

From Our Own Correspondent

MONTREAL—Pacific Mills, Ltd., Canadian subsidiary of the Crown Zellerbach Corp., operated five days a week in 1931 and F. N. Youngman, general manager, believes that the plant will be able to continue to operate on this basis.

Export markets fell off considerably last year and prices dropped, due to economic conditions, but despite this the firm was able to maintain a fair volume of production. The specialty plant in Vancouver met with a large demand for its products and was operated throughout the year on a full time basis.

B. C. Markets Canned Loganberries

Twenty-six hundred cases of canned British Columbia loganberries left Victoria for England the other day. The British market is absorbing about 9,000 cases of this product weekly, according to the B. C. Government market report. Packers in the province this year have exported between 60,000 and 70,000 cases of canned vegetables.

Weather Benefits Ontario Farmer

Owing to unusually mild weather, farmers in several Ontario counties were able to continue ploughing until Christmas Day, according to the weekly crop report of the Provincial Department of Agriculture. In fact more ploughing was done than ever before in many districts.

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Sounder Newsprint Policy Likely of Adoption in 1932

Prospects Are That Operators Will Rebuild Upon Stronger Foundation This Year Either Through Individual Reorganization or Merger

By JOHN E. LANGDON, Eastern Editor of The Financial Post

It is hardly necessary to stress the fact that the past year has been one of the worst experienced by the newsprint companies for many years.

Last year Canada produced in the neighborhood of 2,250,000 tons of newsprint. On the basis of an installed capacity of 12,376 tons daily, the industry has a potential annual output of around 3,600,000 tons, so that the ratio of operations to capacity last year was somewhat under 60 per cent.

This in itself does not make an unfavorable comparison with operations in other industries. But by breaking down the ratio one finds that three or four companies maintained operations above or close to 80 per cent of capacity last year. This means that the balance did not operate at 60 per cent, but well below 50 per cent of capacity. And in this category can be placed members of the Newsprint Institute of Canada.

Lower Price and Exchange

Added to this was the further discouraging fact that newsprint sold for some $5 a ton less in 1931 than in 1930, making earnings more restricted. The premium on American funds, which the manufacturers received on American shipments, proved extraordinarily helpful, but as most of the money received in this way went to pay interest on funded debt, the exchange situation was not as helpful as many have thought.

Financing

When it is considered that the Canadian newsprint industry has been built up on and financed on an operating basis of 80 per cent or better and with newsprint at prices well above the current level, it is not surprising that the restriction of operations and lowering of prices have brought in their wake a situation which seriously threatens the welfare of virtually every operator.

Canada Power and Paper had to go through a form of capital reorganization. Another company is in receivership. Dividends on stocks are a thing of the past. Operating deficits are not unknown. Depreciation and depletion charges have had to be overlooked. The earning of bond interest is a problem engaging the attention of most of the manufacturers.

Factors of Importance

The fundamental problem is one of operations, and in considering operations there are three primary factors to keep in mind, all of which have a bearing upon a solution of present troubles.

First is the problem of tonnage;

Second is the prospect of better prices for newsprint; and

Thirdly, bringing capitalization down to a point where the present volume of business can be handled profitably at current prices and, if necessary, at even lower prices.

Tonnage

First, the matter of tonnage. In 1929 Canada reached a record production of 2,700,000 tons, of which about 90 per cent went to the United States. Exports of newsprint also went to the United Kingdom, South Africa, Argentina, Australia, New Zealand and other countries. But when referring to the Canadian newsprint market only one market is implied and that is the United States. Due to prosperous conditions in that country, therefore, Canadian newsprint operators had a record demand and output in 1929. With the collapse of the stock market late in 1929 and consequent deflation of business, there developed a restriction of demand and a slowing up of operations in Canadian newsprint plants, so that in 1930 Canada produced 2,500,000 tons. The decline in advertising, noted in 1930, continued in 1931. On top of that publishers were forced to economize as revenue from advertising fell off, and reductions were made in the size of newspapers. Taken as a whole, however, the decline in production of newsprint bore a direct relationship to the decline in advertising.

Need of Tonnage

It has been repeatedly said that the troubles of the newsprint industry can be boiled down to tonnage. Given tonnage the manufacturers can make money. What, then, are the prospects for additional business in 1932?

Prospects for a marked improvement in newsprint consumption this year are not too good.

Advertising Lineage Off

Advertising appropriations, already drawn up for the first half of 1932, do not warrant the assumption of any large increase in lineage. Secondly, export markets, other than the United States, are even worse off and in some, the Canadian manufacturers are at a definite disadvantage in competing with the Scandinavian producers on a price basis. Even if there were an upturn in demand of more than ordinary proportions in the United States, Canadian producers are again at a disadvantage with the Scandinavians in competing for spot business, unless they are willing to take such business at a price several dollars below contract level.

Price Outlook for 1932

Turning next to prices, the outlook is discouraging. During 1930 Canadian manufacturers sold newsprint at $55.20 a ton f.o.b. mill. This was the official schedule contract price and though generally adhered to, was not too closely observed by some producers anxious for additional business. The attempt to raise the contract price $5 a ton, and how it fell through from lack of concerted action by the major producers, will be recalled.

In April last year three Canadian operators led the way in announcing a reduction of $5 a ton for newsprint and where long term contracts were entered into, the reduction was effective from the beginning of the year. This action was followed by other manufacturers.

Exchange is Helpful

This provided some degree of stability to the market and quieted demands of American publishers for a reduction of price. In the fall months occurred the dropping of the gold standard by Great Britain. This had its effect on Canadian currency, which soon sold at a heavy discount in the United States. Remembering that nearly 90 per cent of the Canadian newsprint is sold in the States and paid for in American funds, the premium on which in Canadian dollars made a material difference to the financial position of Canadian manufacturers. But it was a mixed blessing! The payment of bond interest absorbed a large share of the premium, but what was even more important the position of the Canadian manufacturer was weakened in the American market.

Foreign Prices

Though the Canadian dollar sold at a discount ranging as high as 23 or 24 per cent, Scandinavian currency depreciated even further. It was not long before the Swedish manufacturers were offering newsprint in New York at as much as $12 a ton below the Canadian price. German producers were willing to take $8 to $10 less, while Finnish and Norwegian manufacturers also were underselling the Canadian producers.

This became an embarrassing situation with 1932 contracts coming up for renewal at the end of the year. Actually the date is earlier as it is necessary to give the publisher one month's notice of any change in the schedule.

Drop 1932 Price

With competition keen and current prices below contract rates, there was only one thing to do and that was to drop the price. From the beginning of the present year, therefore, a cut of $4 a ton became effective. Compared with the price prevailing at the beginning of 1931, Canadian manufacturers are obviously ahead of the game as long as the present discount on the Canadian dollar remains in force. It is an abnormal and most likely a temporary situation. The premium cannot be relied upon indefinitely and should not be considered as regular income for the manufacturer.

Not Satisfied With Price

Some American publishers are not altogether satisfied with the last reduction, and the price question is far from settled. Scandinavian and German producers are bidding for the American Atlantic seaboard business and the price at which they offer newsprint today is well below the Canadian quotation.

Finances are Impaired

With no improvement in demand likely this year and with revenues on a limited scale, some Canadian newsprint companies are moving toward bankruptcy. The trend has been apparent for some time and efforts have been made to clear up the situation. Due to a seeming distaste to face the situation, matters have been allowed to drift until the present position of some of the manufacturers is precarious.

Some time ago a group of bankers got together with a view to bringing about some degree of stabilization in the industry. The banks were motivated in this step for two reasons. First, to protect the large loans advanced to the operators, and, secondly, a desire to better an unhealthy situation in an all-important industry.

One of the first steps toward the rehabilitation of the industry was the reorganization of Canada Power and Paper. This was a necessary step, otherwise the whole enterprise would have gone into the bankruptcy courts.

Merger Possibilities

A short time ago it was announced that a merger of Abitibi, St. Lawrence, Consolidated Paper, Canadian International Paper, New Brunswick International Paper and International Power and Paper of Newfoundland and other operators was under way. This consolidation is a long way from completion and is not an assured fact by any means. The most hopeful feature of this situation, however, is the strong sponsorship. Though a merger may not result from present negotiations, there is a reason for believing that some constructive work will be done.

Co-operation Lacking

In the past it has been impossible to get co-operative action by the leaders of the newsprint industry. If the managements of the different companies had agreed upon and adhered to a common policy, a merger would not now be under consideration. The opinion holds that only through a merger can a degree of co-operation be secured which will place the industry on its feet.

There is doubt that the consummation of a merger will strengthen the position of the Canadian manufacturer in the United States market. Though it has been said that the management of the proposed merger will be of a type to realize the importance of protecting the interests of the consumers, there is a marked feeling among American buyers that a merger would be the initial step in setting up an artificial price level to their disadvantage. If the record of the past is any criterion, then the American buyer is justified in taking this attitude.

Goodwill is Essential

The Canadian industry cannot afford to jeopardize its position in the American market. Canada has not got a monopoly on newsprint. It is a world commodity. The American publisher knows this and is prepared to fight any move which endangers his position. He has strong defensives; not only is he organized, but he has as an ally the Scandinavian and North European producers, and the ever-present threat of developing the Alaskan timberlands.

Work Out Own Problems

It would seem that if the same influences that are working for a merger would direct those efforts to enforcing a common policy, the individual companies could solve their own problem. The recent reorganization of Canada Power and Paper provides an excellent example of the difficulties met with in trying to satisfy shareholders as to the equitable apportionment of new securities. What would it be like in trying to effect a settlement of shareholders' claims in a merger of four or five companies? Yet these same shareholders would not be adverse to a reorganization of their own individual company, knowing that the equity and earning power back of the property would be retained for their own benefit.

If after such a reorganization, a company cannot rehabilitate itself, then it has no reason for existence and it should not be carried along in a merger at the expense of other and sounder companies.

While the immediate outlook for the industry is not overly encouraging, there is no call for undue pessimism. Canada has all those things which go toward making a great industry—timber, water powers, transportations facilities, markets, etc. There are problems to solve. They are not insurmountable and this year should see steps taken which will again place the industry in a sound position.

BRITISH MILLERS EXPLAIN ATTITUDE ON WHEAT QUOTA

Complain That Consumers Will Not Get Lowest Prices

Opposition to the wheat quota on the part of British millers is taking determined form as may be seen by the text of a letter recently addressed to the British Prime Minister by John Westcott, president of the National Association of British and Irish Millers.

"We note with very considerable surprise that apparently the government have committed themselves to the principle of a quota for Dominion wheat. On Wednesday, last, a deputation from this association had the privilege of waiting upon the Minister of Agriculture in order to receive from him particulars of the government's proposals in regard to a home-grown wheat quota. This deputation was only received after the government had announced their intention to proceed with a home-grown wheat quota scheme and now evidently the same procedure is being adopted in connection with a quota for Dominion wheat. We much regret that before these steps were taken the industry principally concerned with these subjects was not consulted, as we are in a position to prove that both schemes are almost impracticable and certainly most inefficient and uneconomic.

"So far as the home-grown wheat quota is concerned we are examining very carefully the proposals which have been submitted to us, and will report thereon as soon as possible to the Minister of Agriculture. Already, however, it is quite obvious that the scheme is a most cumbersome method of endeavoring to achieve the primary object in view —i.e., the receipt by the British farmer of an economic price for his wheat.

Hits Home Industry

"The scheme is one which is quite unnecessarily intricate, and its operation would cause the creation of numerous further officials. It would, moreover, act very unfairly against the flour-milling industry and would increase the already unfair advantages possessed by those who import flour into this country. It is not difficult to devise methods very much more simple in their application without the assistance of Exchequer grants whereby the British farmer will secure a guaranteed price for his wheat and no injustice result to the other industries in this country which would be affected; in fact we are prepared to put forward the principles of a straightforward scheme which would accomplish all that is required.

"Reverting to the question of a Dominions quota, I desire to emphasize that millers in this country are quite willing that a preference should be given to Dominion wheat as against foreign wheat, but this can be done in a way which would prove very much less burdensome to the consumers in this country than by the method now proposed.

Fears Price Hold-Up

"I would point out that apart from India and one or two other parts of the Empire from which we receive comparatively small quantities of wheat, the whole of our importations from the Empire come from Canada and Australia. It is still fresh in our minds that two years ago Canada withheld her supplies of wheat to a large extent in the hope of securing a better price. If millers in this country had surrendered to such a policy and purchased the proportion of their grist which is usually obtained from Canada it would have involved an impost on the consumers in this country of several million pounds.

"It was due solely to the fact that we were in a position to purchase our requirements from all parts of the world that this organized effort to secure prices above the world's parity was rendered unsuccessful.

"If the proposed scheme is to prove satisfactory to the farmers in Canada and Australia it must of necessity involve considerably higher prices for wheat than those which now exist. Present prices, of course, are uneconomic, and some increase is justified. At the same time we should have very little control over prices under a quota scheme, and whatever increase ensued would inevitably have to be borne in its entirety by the British public.

Empire Dumping Question

"As I have mentioned already the objects in view can be achieved in a much less costly and far more satisfactory manner. I desire to point out further that Canadian and Australian millers are our chief competitors, and no suggestion had been made that we are to receive any protection against this class of imported flour. Any increase of these importations would be to the detriment of employment in British mills and involve a smaller supply of freshly milled wheat feed to our own farmers, an animal food which is so essential from the live stock point of view.

"It can be shown that the flour imported from the Dominions is disposed of here at prices lower than those ruling in the countries of origin, and this can be done owing to the fact that the Dominion millers in question have protection at home and can in consequence afford to dump their surplus products into this country.

Competition Unfair

"These facts are obvious when it is remembered that the price of bread in Canada and Australia is very considerably higher than it is in this country despite the fact that they themselves are growers of wheat far in excess of their own requirements. We must protest most strongly against these additional advantages being given to competition which already is of a most unfair character.

"I think it will be admitted that the flour-milling industry of this country has always shown the utmost willingness to assist the government in any measures which are required for the general good. We have hoped that we should be in a position to give our full support to the government in their efforts to deal with the most serious problems which now confront them, but I have respectfully to add, although with the utmost reluctance, that we cannot give our co-operation to such ill-advised schemes as those in question. On the contrary, we shall have no alternative in common fairness but to oppose them most strenuously with every method at our command."

Canada Has Opportunity To Get Wheat Preference From European Countries

From Our Western Editor.

Developments in commercial negotiations between France, Germany and countries of the Danubian basin should receive more attention than has been given to them in Canada. Properly studied they both convey a warning and suggest an opportunity. France recently completed a treaty with Hungary for preferential treatment of that country's wheat, has just negotiated a similar one with Roumania, and has a third under way with Yugo-Slavia. Under the terms of these treaties wheat from the countries in question will continue to be charged the full amount of the French duty when entering the country. But the Government of France will then pay to the Government of Hungary Roumania or of Yugo-Slavia, as the case may be, thirty per cent of the duty which has been collected on imports originating in that country, or at the rate of 27 cents a bushel. Then the government of the exporting country is expected to pay over the money to the exporters of the wheat. In Yugo-Slavia the exporter will be the government wheat monopoly, and the assumption is that the money will be distributed generally to wheat producers, but it appears to be the expectation that commercial exporters will function in the other countries. In each case the refunds by the French government are to apply to ten per cent only of France's imports for the year, but the concession is actually greater than it seems, for a considerable percentage of France's imports are always of durum, or macaroni wheat, which of necessity comes from other countries than those of the Danube basin. If the durum imports were to be ten millions out of forty-five millions, as was the case in 1930-31, the states in question might enjoy preferential treatment with respect to nearly 40 per cent of France's imports of bread wheats.

Germany has also concluded a treaty undertaking to give preferential treatment to Hungarian wheat, but as this treaty is in opposition to some of Germany's existing commercial treaties containing most favored nation clauses, it has not yet gone into effect, and there is uncertainty as to whether it can be made effective. Germany contends that as the treaty in question is designed to relieve conditions in southeastern Europe it should not be regarded as a violation of the other treaties.

For the treaties in question there is possibly more of a political than an economic background, France being desirous of strengthening both the Danubian states and her influence with them, and Germany having political ends of her own to pursue. The project of agricultural rehabilitation in that part of Europe has been under discussion through the League of Nations and the various wheat exporting countries there seem to have been first inspired to give wheat marketing a political aspect by the various efforts of non-European exporting countries to hold up wheat prices, the most important of these being the activities of the United States Farm Board. Up to the signing of the treaties referred to, the efforts of the European wheat exporting countries in this direction have not been successful, and some of the schemes tried, especially those involving export bounties, have been very costly, and have had to be altered or abandoned.

Canada Has Opportunity

It is not necessary to follow the history of various negotiations and plans, but it is important to note that other countries are making some progress in securing favorable treatment for wheat from importing countries. It is also important to note that there is an opportunity for Canada to do the same.

In France for example, the agricultural interest has been strongly opposed to any encouragement of imports from southeastern Europe, but has been favorable to imports from Canada. French farmers want protection for their wheat, but they know that to give it its greatest value its baking strength must be reinforced by high protein wheat such as Canada can furnish. But imports from southeastern Europe instead of making French domestic wheat more valuable, compete directly with it. The French government appears to have made a concession to agricultural sentiment in restricting the favors it has granted by treaty. It might, if properly approached by Canada, find an opportunity to make another concession, by allowing high-protein wheat to be imported at a reduced rate of duty. Canada need not ask a favor for this country as against other countries, but rather favorable treatment for exactly the kind of wheat Canada grows, and which other countries are able to export only in limited quantities. Somewhat similar situations prevail both in Germany and in Italy. The two latter countries have already established a precedent in this connection by treating durum wheat for the manufacture of macaroni much more favorably than bread wheats. (Durum wheat, like Canadian grades of red spring wheat, is high in protein content).

So far it has doubtless not occurred either to ask for nor to offer preferential treatment for high protein wheat, but neither had it occurred to any one until a short time ago to discriminate in favor of macaroni wheat as against bread wheat, until a shortage of material for the manufacture of macaroni began to make itself felt.

High Duties Help One Way

To some extent even the high duties that France, Italy and Germany impose upon wheat have worked to the advantage of Canada, at least as compared with other countries, since importers, when they have to pay heavy duties, give a preference to the best wheat they can obtain. That fact has been reflected to some extent in the high premiums that have prevailed on the top grades of Canadian wheat. Were the situation to be properly exploited they might be turned even more to the advantage of Canada. It might be possible to line up sentiment both of the milling and baking trades and of European farmers in favor of Canadian wheat. Such matters are highly technical, and the Canadian government, if it were to pursue to a successful conclusion such negotiations as are here suggested would need expert technical advice, but such advice would be easily obtainable from members of the Canadian export trade.

British Benefit Limited

Naturally no effort should be spared to get the maximum concessions for Empire wheat if Great Britain establishes the projected quota system. But the maximum benefit to be obtained there is limited, and is much less than is commonly supposed, for the benefit must be shared with Australia and with the British farmer. At its utmost stretch the British market will not take care of more than a third of the wheat Canada would like to export in a single good season. And its benefits will be to a considerable extent diminished if while it is under negotiation Canada loses an opportunity to push her interests in other markets.

Consequently, this suggestion is put forward as one warranting the prompt attention of the Prime Minister and of the Minister of Trade and Commerce, and investigation through the channels of the grain trade of the country.

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Y.B.-32

Great Bear Lake Mineral Area Fertile Field for Prospecting Much More Work Required

Address by Dr. D. F. Kidd, of Geological Survey, Gives First Official Information on Finds Made to Date

PRESENT DEVELOPMENTS INCONCLUSIVE

Rich Silver Showing But Regular Sampling Required to Determine Extent — Pitchblende Offers Problems

Dr. D. F. Kidd, geologist of the Canadian Geological Survey, in an address on January 8 before the Toronto branch of the Canadian Institute of Mining and Metallurgy, on the geology and mineral developments at Great Bear Lake area, Northwest Territories, gave the first report which the public has received from a recognized authority.

Dr. Kidd's talk was an exhaustive, comprehensive discourse accompanied by illustrated slides and motion pictures which showed the topography of the area and the developments to date. The address, while conservative in tone, gave the impression that the area was a fertile field for prospecting but that the developments to date did not qualify it as a second Cobalt.

Is a Geologist's Paradise

In the vast expanse of territory which Dr. Kidd described as a "geologist's paradise," evidence was abundant that Canada has a great heritage and one that is worthy of extensive exploration. Whether or not the original finds live up to prophecies is not regarded as of prime importance if they serve the purpose of attracting nation-wide interest to an Arctic area which although remote, does not offer insurmountable barriers to modern access by aeroplane.

Known Many Years

The present interest in the Great Bear Lake area dates back to 1771 when Samuel Hearne, the explorer, reported that Eskimos were using copper tools. Subsequently, other explorers traversed the area, and in 1900 Dr. J. McIntosh Bell and Dr. Camsell, present Deputy Minister of Mines, Canada, made reference to the greenstones in which occur numerous stringers of calcite, containing chalcopyrite, and the deep, rocky shores often stained with Cobalt bloom and copper green. In one article Dr. Bell made reference to being windbound for several days in Echo Bay, where he found a perfectly land-locked harbor, surrounded by high hills. He said that variegated mineral staining gave scintillating reflections in the deep, transparent water and suggested a locality to lure the prospector.

About 1922, Charles Sloan made a copper ore discovery on Great Bear Lake, at the mouth of the river which bears his name. It was this find which was directly responsible for the present developments in Echo Bay. In 1929, Gilbert LaBine, managing director of the Eldorado Gold Mines, staked copper claims adjacent to the Sloan find, but the economic importance of the ore was not sufficient to lead to development under prevailing conditions and he set about prospecting in the area with the result that the pitchblende find, 35 miles south in Echo Bay, was made early in 1930.

Saw Echo Bay Finds

Arriving in Hunter Bay July, 1931, Dr. Kidd spent a short time in examining the original copper find in the area, made by Charles Sloan, now under option by Dominion Explorers. Most of the time, however, was spent at Echo Bay, the site of the pitchblende and silver finds of Eldorado Gold Mines. Since the holdings of this company are the only ones which have seen any real development, his remarks were principally confined to its operations. Here three shear zones, running back from the water's edge at LaBine point, have been prospected. No. 1 vein is the site of the original discovery and parallels the water's edge. It can be traced for several hundred feet and much of the exposed outcrop lies under shallow water. From a pit, sunk to a depth of 12 ft. this summer, eight tons of cobbed pitchblende was mined. No. 2 vein parallels the No. 1 vein. It is this vein which has received the greater amount of development work and it has been traced for a distance of approximately 1,400 ft. to where it disappears in a small pond. Fourteen surface pits have been opened up on this zone and pitchblende has been encountered in 13 of them.

Here an additional 12 tons of cobbed pitchblende was mined, making up the 20 tons shipped from the property last July which, at last report, was still lying at Waterways awaiting shipping instructions. On the northerly 180 ft. of this zone, in five out of six test pits, silver was encountered, some of it being exceptionally rich material. The silver, Dr. Kidd said, occurs in small lenses in the zone. The mineralization was not determined in the northermost trench and a small pond, possibly indicating a more fractured condition, prevents trenching to the north. The remarks by Dr. Kidd are as follows:

Hard to Gauge Silver

"Because of its frequent very fine grain, any estimation of silver values is difficult. Grab samples and selected channel samples can be taken but no real idea of the grade can be obtained without close regular channel sampling. In its absence, any estimates made below must be regarded as a guess. The data for the northern pits of the No. 2 zone is summarized below.

"Pit No. 1, 35 ft. long across zone. Eastern 22 ft. no exposure. In west part 3 ft. of fractured rock with tiny seams of native silver in some fractures. In eastern edge rich disseminated silver in rock. Rock less fractured and not blasted to the west.

"Pit No. 2, 50 ft. south of pit No. 1. Visible silver found at intervals over a width of 8 ft. Near east side quite abundant over a width of six inches.

"No. 3 pit, 40 ft. south of No. 2 pit. For 6.7 ft. on south side and 5.3 ft. on the north side of pit scattered wires and fronds of silver were present with manganese carbonate and country rock. Would guess less than two per cent silver over this width.

"Pit No. 4, 20 ft. south of pit No. 3. Not blasted so any silver present is not visible.

"Pit No. 5, 20 ft. south of pit No. 4. Blasted length of six ft. and width of one ft. pinching somewhat at the ends. Native silver is very plentiful, possibly 40 to 50 per cent.

"Pit No. 6, centre of pit 40 ft. south of pit No. 5. At north end over a width of four ft. large wires of silver are found at intervals. Probably less than one per cent over this width."

No. 3 vein parallels No. 2 and while pitchblende has been found, very litle work has been done.

About six miles south of LaBine Point, on the Eldorado holdings, shear zones have been found parallel to the contact of the altered volcanics and granite. Here silver has been found, and grab samples taken by Dr. Kidd gave the following assays:

Sample No. 1—weight one pound 14 ounces. Assayed 11.69 oz. of silver and 15.94 per cent uranium oxide.

Sample No. 2—weight seven ounces. Assayed 43.25 oz. of silver and 22.78 per cent uranium oxide.

Sample No. 3—one pound. Assayed 24.84 oz. of silver and 10.74 per cent uranium oxide.

Sample No. 538—one pound eight ounces. Assayed 1.44 oz. of silver and 31.68 per cent uranium oxide.

The entire area surrounding LaBine Point, the site of the original find, has been staked. About 12 mining groups are represented, including Northern Aerial Minerals Exploration, Dominion Explorers and Consolidated Smelters. Silver and pitchblende has been found on Northern Aerial Minerals Exploration claims.

Transportation Problem

Echo Bay is in McTavish arm of Great Bear Lake, 815 miles north of Waterways, the end of steel of the Alberta Northern Railway, running north from Edmonton. The popular route is by rail from Edmonton to Waterways; then via aeroplane, a matter of about eight and one-half hours flying. An alternative or water route is by steamer from Fort McMurray, three miles from Waterways, down the Athabasca, Slave and McKenzie Rivers to Fort Norman, which involves a portage at Fitzgerald, 16 miles in length. From Fort Norman, small boats and canoes can be taken up the Great Bear River, across Great Bear Lake to Echo Bay on the east side. There are rapids on Great Bear River which necessitate a portage. The sole service on Great Bear Lake at the present time is a small boat with a scow in tow.

Dr. Kidd stated that the samples sent out by water route cost at the rate of approximately $345 per ton, but that a cheaper tariff would probably result from greater tonnage.

Not Yet Another Cobalt

In connection with this figure given by Dr. Kidd it is recalled that Cobalt, in the first three years of its existence, during which time its highest grade ore was shipped, averaged 1,000 ounces of silver per ton, equivalent, at current prices, to about $300 per ton. Therefore, transportation costs prevailing at the present time out of Great Bear Lake to Fort McMurray, alone exceed the value at present silver prices of the early high-grade shipments from Cobalt.

In speaking of the economic importance of radium, Dr. Kidd said that the current market price was $50,000 per gram, while smaller lots sold up to $70,000 a gram. He stated that, in the United States, costs for treating radium ore, running from two to three per cent uranium oxide, had been about $42,000 per gram of radium, exclusive of the cost of the ore.

With further reference to Dr. Kidd's discussion of radium it is pointed out that ore averaging one per cent uranium oxide per ton contains approximately 2½ milligrams of radium which at $50,000 per oz. would have a gross value of $125 per ton. Ore averaging 50 per cent uranium oxide would contain approximately 125 milligrams of radium having a gross value of $6,250 per ton.

The Belgian government now controls the radium market of the world through ownership of the mines of the Union Miniere du Haut Ktanga Co. in Belgian Congo, the ore from which is treated in a government plant at Oolen, near Antwerp, Belgium, started in 1922.

Following the isolation of the element radium by Madame Curie, in Paris in 1898, the deposits of the pitchblende from Czechoslovakia were the principal source of supply.

U. S. Starts Production

In 1911, exploitation of the Colorado radium ore deposits was undertaken, the ore being shipped to Europe for treatment.

In 1914, the first commercial treatment of radium ore was started in the United States and continued until 1925, when the increasing output in Belgian Congo forced operations to suspend. For the past several years the Belgians have continued to monopolize the market.

In 1928, 40 grams of radium was produced and in 1929 an expansion programme provided for a capacity of from 50 to 60 grams per year—sufficient to take care of the demands for the present and immediate future. What the actual production is at the present time is not known, nor is the cost of production. It is known that the ore from the Belgian Congo is of a high-grade nature, running up to 60 per cent uranium oxide.

Enquiries for radium raw ore for export to Europe have indicated that a price of $1 per pound for uranium oxide is assured. On this basis, ore running 50 per cent uranium oxide would have a value of $1,000 per ton. The present selling price of radium doubtless has little relation to production costs; therefore any serious competition by a new source must have the financial support, as well as sufficient ore and technical staff, to meet a competitor already firmly entrenched.

Uses Limited

The uses of radium at the present time are principally confined to the treatment of cancer, the success of which, however, is not endorsed by physicians universally. It is estimated that approximately one-half of the world's output has been dissipated through its use in the manufacture of luminous paint. Research work is being conducted on application of the element to new uses, and research in the past on other elements has been productive in expanding its markets, which lends hope for the future of radium. The United States Bureau of Mines says that there is reason to believe that the saturation point in the application of radium has not been reached, but the possibility of glutting the market is a major factor problem to consider in the future plans of the industry.

The history of the radium industry has been a series of monopolies. First, the deposits in Czechoslovakia dominated the market; then the centre of production shifted to the United States. These operations were supplanted by the rich deposits of the Belgian Congo and it is hoped that a further chapter will be written by the developments in Great Bear Lake.

Gem Lake Recovers $8,234 in 20 Days

Official advice from Gem Lake Mines says that the first twenty days' run of the small test mill resulted in a gold recovery of $8,234.

The company installed a ten test mill in November last to treat the high-grade gold ore encountered and to bulk sample ore from development work. It is expected that the recoveries from the small mill will be sufficient to meet the expenses of the new developments at depth.

Phoenix Group Appoints G. Weir, Casualty Chief

Beginning Jan. 1, 1932 the casualty departments of the Phoenix Assurance Co. of London, and the Union Marine and General Insurance Co., will be administered at Toronto under George Weir, who has been appointed casualty manager for Canada of both companies. Mr. Weir is also Canadian manager of the London Guarantee and Accident Co. Ltd.

The fire departments of the three companies will be managed from Montreal by J. B. Paterson, manager for Canada of the Phoenix.

The Phoenix celebrates its 150th birthday this year, and coincident with this event has extended its field to include all classes of casualty insurance. It was the first British insurance office established in Canada, having commenced business in the year 1804.

Good Demand for Furniture

Furniture plants in Wiarton and Lucknow, Ont., are currently reported to be operating on full time and orders are stated to be coming in in sufficient volume to hold out good prospects for 8-hour day operation for some time.

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NEW EQUIPMENT GUARDS AGAINST MINE ACCIDENTS

Ont. Dept. of Mines Takes Steps to Safeguard Operations

The Ontario Department of Mines is completing a mine rescue station at Kirkland Lake which will make the third in the province, one at Timmins and another at Sudbury.

These mine rescue stations are equipped with the latest appliances for combating mine fires and rendering first aid in the case of accident, and while built and equipped by the Mines Branch the expense is really borne by the mines through their assessment by the Workmen's Compensation Act.

The Mines Department has been keeping pace with Ontario's mining activities by providing safety measures, recently adding a huge cable-testing machine, the largest of its kind on the continent. This new cable-testing machine is being set up in the basement laboratory of the new east wing extension in Queen's Park and will provide for the testing of cables of a tensile strength of 1,000,000 pounds; or a cable of approximately 3½ inches in diameter.

The largest cables used at the present time in Ontario mining operations are 1¾ inch. These cables are used by McIntyre-Porcupine Mines and by International Nickel at the Frood Mine. While it is not anticipated that cables up to 3½ inches will be employed in mines, they are used in ship mooring work at the Welland Canal.

Another new piece of testing equipment recently added by the Department—the first of its kind in Canada—is an electrical resistance thermometer. By means of this instrument it will be possible to take rock temperatures deep down in diamond drill holes and thus an accurate measurement can be made as to the relative increase in rock temperatures as depth is reached in mining.

Beet Sugar Industry Grows

The beet sugar industry in Southern Alberta, though still in its infancy, is now in the million dollar class. Since 1928, the actual beginning of the industry on a commercial scale, when 5,200 acres were planted, producing 27,600 tons valued at $291,400 the business has almost quadrupled, bringing roughly a half a million dollars each to the growers and the producers.

San Antonio's Mill Ahead of Schedule

The new 150-ton daily capacity mill under construction by San Antonio Gold Mines has had its superstructure completed and work is now centred on installing the necessary equipment.

The completion of the building was ahead of schedule, but climatic conditions have retarded taking in the equipment over the winter roads. It is planned that the mill will be ready for operation by April 1, and indications now point to completion before that date. The electric power line to the property is under construction and it is expected it will be completed well in advance of mill requirements.

AJAX OIL & GAS ISSUES REPORT

Financial Statement Promised at Annual Meeting in March

An interim report by the Ajax Oil & Gas Co. says a financial statement will be presented at the annual meeting to be held in March next.

In the Dover field the company has three gas wells as producing. In the Six Nations Indian Reserve, near Brantford, 27 gas wells have been drilled of which 26 are producing. These wells have been drilled to a shallow depth and while the production is small officials say the history of the district indicates a long life.

During the past year the company has purchased additional gas acreage in Norfolk county and an interest in a block of 1,000 acres in Oxford county Ontario. Drilling on the latter acreage started on January 4.

Through a wholly-owned subsidiary, the Chatham Oil Co., Ajax has been active in the Oklahoma and Texas oil fields. From the Corbin well, in which the company owns one-fourth interest, and from the Fenton well in which it owns one-half interest, 100 barrels of oil daily is being taken. In Oklahoma from the Lindsay and Eckroat wells, in which the company owns 75 per cent interest, a production of approximately 20,000 barrels per month is being allowed.

Turner Valley Oil Production Figures

Deliveries from Turner Valley producers to the Imperial Oil refinery and the two independent refineries in December were as follows:

Imperial Refinery	Dec. Bbls.	Nov. Bbls.
Crude Naphtha:		
Royalite	1,999	1,041
Associated	608	.....
Dalhousie	1,491	718
Home	2,328	2,091
Lowery	589	563
Merland	4,828	4,832
Mercury	4,644	5,643
Miracle	2,137	1,958
Total crude naphtha	18,604	17,433
Discolored Crude Naphtha:		
Royalite	7,334	7,429
Advance	873	856
Baltac	61	181
Foothills	1,905	2,240
Mayland	5,436	5,827
So. Lowery	8,439	9,122
Sterling Pacific	2,173	496
So. Pete.	673	635
Alta. Pac. Con.	627	185
Bri. Dominion	629	.....
Calmont	351	338
East Crest	4,720	5,614
Mercury	3,696	1,944
Mill City	110	96
Richfield	399	425
Structure	1,317	1,319
Total discolored crude naphtha	39,041	36,316
Crude Oil:		
Dalhousie	498	744
Home	367	193
Hylo	2,627	2,174
Model	5,355	5,099
Total crude oil	8,847	8,335
Total Imperial De.	66,492	62,084
Regal Refinery		
Crude Naphtha:		
Alta Federated	398	401
Okalta	3,250	2,488
Homestead	987	1,021
Total crude naphtha	4,643	4,116
Bell Refinery		
Crude Naphtha:		
Spooner	1,774	2,597
Vulcan	113	235
Total crude naphtha	1,887	2,832
Total Deliveries	73,033	69,082

Turner Valley Refinery Deliveries Naphtha and Light Crude

	1930	1931
January	88,975	156,658
February	78,319	132,267
March	105,835	128,975
April	87,278	114,217
May	84,046	118,614
June	111,960	113,429
July	95,884	*90,258
August	110,801	*66,794
September	112,563	*66,496
October	144,022	*69,522
November	132,287	*69,082
December	160,725	*73,082
Totals for 1930-1931	1,312,695	1,199,336
Total for 1929	981,221	

*Restricted flow on naphtha.

Summarized Alberta Production—1931 Total 11 Months

Turner Valley (naphtha)	1,258,483
Turner Valley (light crude)	23,346
Red Coulee (light crude)	60,998
Wainwright (heavy crude)	6,797
Ribstone (heavy crude)	9,777
Total	1,359,401

DOME OUTPUT GAINS DURING DECEMBER

Total for 1931 is $3,547,902 —Grade Averages $6.54 Per Ton

Production of gold bullion by Dome Mines for 1931 totalled $3,547,092 or an average recovery of $6.54 per ton of ore.

During the quarter ended December 31, production totalled $854,049 from 136,250 tons of ore.

While the recovery in 1931 was slightly lower than in previous years, it will be recalled that the company started its new mill late in 1930 and that a certain time was required to tune up all operations and ensure its operating at maximum efficiency.

Absorption too takes a certain amount of gold from the circuit in a new operation and just to what extent absorption takes place was well exemplified when the company's mill was destroyed by fire in October, 1929. In clean-up of the debris following this fire a total of $534,848 was made.

The following tabulation shows the production by quarters for 1931:

PRODUCTION 1931

	1st quar.	2nd quar.
Tons milled	132,400	137,100
Total recovery, $	858,081	946,627
Rec. per ton, $	6.48	6.90
Tons daily	1,470	1,506
	3rd quar.	**4th quar.**
Tons milled	136,850	136,250
Total recovery, $	889,145	854,049
Rec. per ton, $	6.50	6.27
Tons daily	1,486	1,480

Machinery Output, 1930, Highest Except For 1929

Production from the machinery industry in Canada during 1930 amounted in value to $53,749,482. The record of $65,692,539 for this industry was attained in the previous year, while output for other years was reported at $51,046,140 in 1928, $44,602,135 in 1927 and $38,380,019 in 1926.

This industry includes 174 factories of which industrial, household or office machinery were the main products. Purchased materials cost $18,326,621 at the factory and the value added by manufacturing processes was $35,422,861.

Among the principal items made by these firms were: 63,647 electric washing machines at $8,556,095; freight and passenger elevators with parts at $5,069,758; pulp and paper machinery at $5,014,429.

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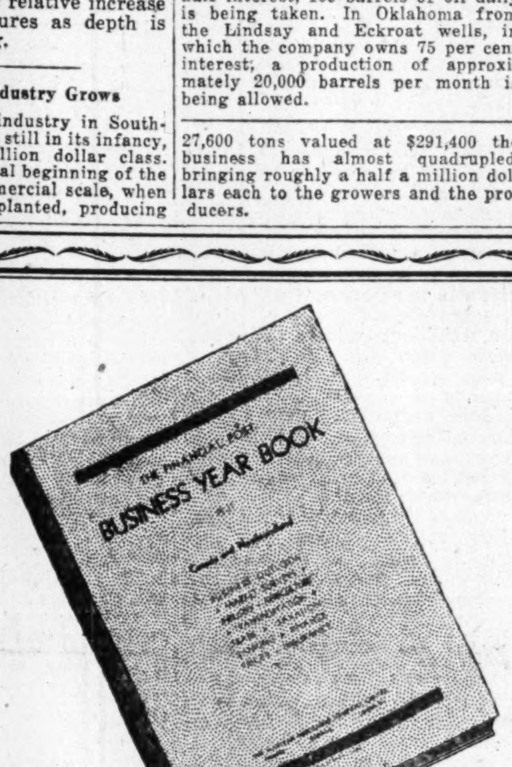

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From Our Own Correspondent

NELSON, B.C.—A $50,000 plant for the manufacture of fertilizer feeding attachments, a paint manufactured from zinc fumes for plant use, a new fuming plant boiler that is one of the largest boilers in all Canada, and completion of the sulphuric acid construction programme by the addition of two more units of 112 tons daily capacity each—these are development landmarks of the year at metallurgical Tadanac, site of the reduction works of the Consolidated Mining & Smelting Company of Canada as distinguished from the Warfield area of Tadanac, where the company's $10,000,000 initial chemical fertilizer development has taken place.

The fertilizer attachment plant, which is now being assembled, is a move by the Smelters to make sure that the prairie farmers will be able to use their existing seeding equipment with only the addition of this attachment to distribute the fertilizer in the proper position with the seed. At first Smelters had no thought of engaging in this manufacture, but when it was found that implement companies showed no startling enthusiasm over developing and supplying low-cost attachments, it put its chief engineer on the job of developing an all-round appliance, suitable for attachment to any standard seeder already in use.

Patent Applied For

While a patent has been applied for, any implement company will be allowed to manufacture and market the Smelter invention, but to assure the desired price level Smelters' intention is to manufacture at Tadanac, and be at all times a market factor on a factory-to-farmer basis.

Models of the attachment, which can go on any standard seeder, and which, beside depositing the fertilizer in juxtaposition to the seed, can regulate the quantity of fertilizer used to any degree, are on display on the prairies.

The attachment plant occupies part of the old copper rod mill.

Making Paint

Another development of the year has been the manufacture of zinc oxide paint, entered upon the past summer, for Smelters own use. This manufacture is another case of the utilization of a waste product—in this instance, the zinc oxide fumes. Production of zinc fumes at Tadanac amounts roughly to 100 tons a day, and now the zinc oxide is being turned to a commercial use.

From this source Smelters is now manufacturing practically all the paint required for its plants—at Tadanac, Warfield, Kimberley, or elsewhere.

The paint manufacture, like the fertilizer attachment manufacture, is housed in the copper rod mill, which also furnishes a home to the lead rolling mill established in 1930, and to the bismuth plant, a small but characteristic item in Smelters' metallurgical activities.

It may be mentioned that this lead rolling mill is proving its worth efficiently in supplying the sheet lead required for the purposes of the various chemical plants. Sheet lead is used very generally through the plants at Tadanac and Warfield.

One of the improvements of the year relates to the central heating system at Tadanac derived from the necessities of the fuming plant for terrific temperatures, the fuming plant having been evolved a year or two ago to recover zinc from the lead furnace slags and from the zinc plant rejects and to provide approximately all the zinc required for the added 100 tons zinc refinery.

Large Boiler Installed

This installation consists of a 4,000 h.p. boiler capable of supplying all the heat required for the central heating system. The boiler is one of the largest in Canada—possibly the largest. The central heating plant not only supplies all the process heat for the Tadanac and Warfield plants, but also heat for ordinary heating purposes for those plant communities, and even to adjacent buildings in Trail below, such as Trail-Tadanac Hospital and the Memorial hall.

Adds to Acid Plant

Construction of the two additional units of the sulphuric acid plant, each of 112 tons daily capacity, finishes the expansion programme of the year at metallurgical Tadanac. The sulphuric acid plant, being in connection with the chemical fertilizer plant at Warfield, is only mentioned here because it belongs geographically to Tadanac proper. These two units, with the one completed in 1930, and with the 39-ton original plant built two or three years ago, gives Tadanac the capacity to produce 375 tons of 100 per cent sulphuric acid per day, by the contact process, utilizing the sulphur dioxide in the furnace gases.

With the starting up of these final units last summer, a large part of the sulphur given off in the air as sulphur dioxide, from the metallurgical operations at Tadanac, has been recovered in sulphuric acid, lessening to that extent the volume of this deleterious element going into the atmosphere from the smelter stacks, to be made the ground for charges of smoke nuisance.

Operation of the smelting plant and refineries during 1931 has been materially below capacity—and in this connection it should be recalled that the capacity of both the lead and zinc sides of Tadanac has been increasing. The latest increase in the lead capacity has been altogether through increased efficiency in operation, and equipment that once was figured for 400 tons per day of electrolytic lead is now capable of producing 450. Tadanac's zinc capacity was increased by 100 tons in 1930, to a total of 400 tons of electrolytic metal.

Operations Reduced

The lead operation has been about 80 per cent of capacity, though the output has been less than 10 per cent below the record figures made in 1930. The zinc operation has been about half the capacity, with about a 15 per cent reduction from the record.

Smelters in 1931 practically ceased to be a producer of copper and no copper was refined at Tadanac. Less than 500 tons of copper—1½ tons per day—was produced at Tadanac in 1931, this being recovered by the drossing plant cleansing the molten lead, of Sullivan mine origin, and shipped as matte to the Tacoma smelter for refining.

Production of cadmium, a by-product of the zinc operation for the last few years, was proportionate to the zinc production from the Sullivan ores, and therefore below the 1930 record figure. It is interesting to note that the world's production of cadmium has multiplied by seven since 1924, and that Smelters, in 1930 produced a larger quantity of cadmium than the entire world produced in 1924.

Kimberley operations which prepares the lead-zinc ore of the Sullivan mine is the basis of Smelters' entire activity and was about in the same proportion as at Trail. That is to say, the operation has been materially less than capacity.

On Five Day Week

Since August 1 the mine has averaged slightly under five days a week, while the concentrator has been working around six days.

There has been no increase in the concentrator capacity, which is capable of handling 6,000 tons of ore per day.

Sinking is being carried on in the Sullivan, in preparation for future work below the present working level.

Development has been carried on in connection with sources of phosphate rock for the fertilizer plant at Warfield, some work being done in Montana and Idaho. More development was also done in connection with the Crow's Nest Pass deposits. So far, the deposits of the Crow's Nest camp, while large, have been found to be low grade, but without doubt will constitute a good reserve in the case of other sources failing.

With the completion of the current construction programme in connection with the fertilizer plant, Smelters' working force in the Trail area is now down to the permanent force, the surplus labor being laid off as construction was finished. On December 1 the payroll in the Trail area carried the names of 3,500 employees, as against a peak of about 4,000 in October, 1930, when construction was in full swing.

All Hands Busy

It has been an object of the company to meet conditions without laying off any of regular working force and this has been accomplished by dividing the men into four shifts, instead of three, and having each shift work 15 days and then lay off five days, this plan coming into effect about August 1, and covering all work done by shifts. In the case of the mechanical force, whose work is mostly done on the day shift, the adjustment was obtained by cutting the days per week, the men obtaining five days or better in each week.

The same object was effected at Kimberley, but was worked out on different lines, which distributed the available work as evenly as possible over the whole force.

All salaried officials and office staff of the company accepted a 10 per cent reduction in their paycheques, from about August 1, thus sharing the results of the curtailment.

ISLAND LAKE FIND RAISES MANITOBA'S HOPES FOR FUTURE

Prominent Companies Enter Field—Aeroplanes Give Transportation

Advice from Winnipeg raises hopes that Manitoba is to have another gold field as a result of finds made at Island Lake. Over two months ago readers of The Financial Post were informed of the interesting development that is taking place in this new area, 115 miles due east of Norway House, or about 75 miles north of favorable lakes in Ontario, which received some exploration a few years ago.

The two prospectors, Cowan and Reahill, responsible for the find, have staked two groups of claims, one known as the Jack of Diamonds, consisting of six claims and the other the Jack of Hearts, consisting of twelve claims. Up to December 1, 51 claims have been recorded and 25 prospecting licences had been issued for the district. The attention of some of the larger operators has already been attracted to the district. Ventures Limited has optioned the original find. John Drybrough, mining engineer, of Winnipeg and representative of Toronto interests, has flown into the area to make reports and obtain claims. About 350 pounds of samples were recently brought out, some showing high values in gold, which occurs principally in dark colored quartz well mineralized with fine sulphide. On the surface showings 3 to 10 ft. wide are reported and a break is said to have been traced for nearly 1,000 feet.

The general inaccessibility of the area except by aeroplane has resulted in the Canadian Airways, Ltd., establishing a regular service to the district.

J. S. Wright, geologist of Department of Mines, Manitoba, reported on the area in 1927. He recalls the area being geologically explored 50 years ago by A. S. Cochrane and a sketch map made of the shore of the lake.

CON. SMELTERS BIG FERTILIZER PLANT NOW IN OPERATION

Warfield Site of New Canadian Industry is Impressive

$10,000,000 SPENT

Sulphuric Acid is Basis of New Products Won From Waste Products

From Our Own Correspondent

NELSON, B.C.—A year of adding structures here and there, of following up first units with others, of installing machinery, of testing out complicated plants for producing uncommon chemicals with partial but successful operation, preparatory to full commercial production, summarizes the last 12 months with the $10,000,000 first unit of the chemical fertilizer plant at Warfield, adjoining Trail, B.C., the new challenge of the Consolidated Mining & Smelting Company of Canada to the fertilizer world.

The current year opens with every constituent part of the big plant completed, to the last units, with every plant now in operation at part capacity, with a total production during 1931, the "building and testing" year, of about 25,000 tons of chemical fertilizers of the three main types immediately projected. Now everything is apparently set for a production in 1932 of from 75,000 to 100,000 tons of fertilizer products.

This is the position at Warfield, the production end of the great new development, where sulphuric acid, made at the rate of hundreds of tons a day from the furnace gases of the Trail Smelter, which are thus clarified, is the basis of the new manufacture.

Application Supervised

At the same time, on the Prairie the director of agriculture is supervising west-side testing of the new fertilizers and the development of uses of these products as well as the technique of use.

Phosphate rock is at present imported from deposits in Idaho and Montana, but may in future be derived from the Crows Nest Pass beds. It shares with sulphuric in being the principal base of the new manufacture, as it is a constituent in both triple-superphosphate and ammonium phosphate, two of the first three main types of fertilizer contemplated, the third being ammonium sulphate.

Although the present Warfield development is officially a "first unit" only, its phosphoric acid plant is the largest in the world. The explanation of this is that while the world has long known phosphate fertilizer, the common form in which it is manufactured and sold is the ordinary superphosphate or acid phosphate of 16 to 18 per cent available phosphoric acid, a type requiring but little manufacture. Triple-superphosphate however, is a highly concentrated product, with a 45 per cent content of phosphoric acid, of which 43 per cent is available, and is produced by a highly specialized manufacture. Thus Smelters new industry sets a new record at its very inception.

Started Last Year

The first unit of the phosphate plant was completed in time to commence a very small scale operation at the first of the year, and the winter saw 3,000 to 4,000 tons of products turned out for last spring's trade, the principal output being triple-superphosphate, with some ammonium phosphate manufactured with the aid of imported ammonia.

With completion of two additional 112-ton units, the sulphuric acid capacity became 375 tons a day, produced at Tadanac in juxtaposition to the metallurgical plant from whose fume it is derived, the acid being pumped to two receiving tanks at Warfield through a four-inch iron pipe. Owing to the zinc curtailment, there has been insufficient fume to enable the sulphuric acid plant to operate at full capacity, and recently the production of acid has been about 250 tons a day, with a prospect of 280 tons shortly.

Three Units Operating

All three units of the phosphate plant are now in operating condition, and the plant is operating at two-thirds capacity, making from 200 to 225 tons a day of triple-superphosphate. When in capacity operation it can utilize 450 tons of phosphate rock per day.

A large part of the year's advance has been in completing and "bringing in" the varied installations that contribute toward the production of ammonia, an ingredient of both ammonium phosphate and ammonium sulphate. These embrace the hydrogen plant, the liquid air plant by which nitrogen is "produced," and the ammonia plant. These were not all ready till the end of October, but are now in working order.

Another item was constructing the ammonium sulphate plant, of 165 tons daily capacity, which now occupies a site adjacent to the phosphate storage warehouse.

Altogether about 25,000 tons of fertilizer to the end of December—around 15,000 tons being of triple-superphosphate—has been turned out, with the two ammonia derivatives in the volume of 5,000 tons each.

The 1932 production will probably switch heavily to ammonium sulphate after the end of March, in accordance with expected seasonal demand. The sales, however, will determine the manufacturing programme.

New Canadian Industry

The big plant that is launching a new Canadian industry is now a complete first unit, besides administrative buildings and shops. It occupies a large acreage on Warfield Flat, in the upper part of the municipality of Tadanac.

First in interest probably among the constituent plants of the Warfield industry are the chemical plants whose final object is the production of ammonia. These occupy the left half of the manufacturing area, and are alluded to collectively as the hydrogen and ammonia plant. First is the hydrogen plant, which derives hydrogen from water by the process of electrolysis, this being where the bulk of the huge electric power consumption at Warfield occurs. Four types of cells in which water is broken up into its constituents—hydrogen and oxygen, are being experimented with—the Knowles, Fauser, Stuart, and Pechkranz. On their relative efficiencies may turn the choice when future units are being platted. Connecting with the hydrogen plant is the mercury arc rectifier installation, which converts the alternating current received from the high-tension substation of the West Kootenay Power & Light Company, to the direct current form required. The largest rectifier of the series is the largest size that has yet been fabricated.

Liquid Air Plant

Central in the ammonia series is the plant where nitrogen is extracted from the atmosphere by the Claude liquid air process, and where the ammonia synthesis takes place. Between this plant and the hydrogen plant that precedes it are the three huge cylindrical gas containers or "gasometers" required, containing respectively hydrogen, nitrogen and a mixture of these two gases. In the production of the ammonia, after air has been liquefied, thus separating the nitrogen, mixing of the nitrogen and hydrogen takes place, in the proportion of one part of the former to three of the latter, and the mixture is compressed under 4,500 pounds pressure and passed through a heated catalyst, the effect being that certain portions of the two gases combine to make ammonia, which is separated from the gas in the anhydrous form.

One of the two largest structures at Warfield is the phosphoric acid plant. Here it is that the sulphuric acid, piped from the sulphuric acid plant in metallurgical Tadanac, is applied to the phosphate rock, brought in by conveyor belt from the huge stock pile. The main portion of the building is devoted to the manufacture of the triple-superphosphate, but one section produces the ammonium phosphat.

Big Storage Capacity

These two products, in a dry form, pass by conveyor belts in a long overhead passage, to the phosphate storage building. In this warehouse of 60,000 tons storage capacity, a travelling crane with clamshell bucket transports the products to shipping bins. At the present time shipping crews are weighing, sacking, and piling these products, in fulfilment of carload orders. The huge storage capacity is to take care of the greater part of a year's production, as the fertilizer trade is highly seasonal, and the heavy shipping season is ordinarily confined to three winter months.

A separate plant, near the phosphate storage, houses the ammonium sulphate manufacture. This plant, both building and equipment, belongs to the construction season just ended, and is proving highly satisfactory in operation.

With every plant completed and tried out and with an actual operating record, Smelter chemical fertilizer plant is now in commercial operation. It is anticipated that there will be operating problems to solve, as there were plenty at metallurgical Tadanac that supplies a tenth of the world's lead and zinc.

BARRY-HOLLINGER PLANS REDUCTION OF CAPITALIZATION

New Production Shaft is Imminent as Greater Output Looms

At a directors' meeting of Barry-Hollinger Gold Mines on January 11, a proposal was considered to reduce the capitalization from $5,000,000 to $3,000,000. A shareholders' meeting has been called for February 19 to approve the proposal.

Approximately 4,500,000 shares are issued at the present time and it is proposed that, when the capitalization is reduced, one new share will be exchanged for each two shares now outstanding.

At the mine deep developments continue to improve the ore situation. A winze sunk from the 1,875-ft. horizon to the 2,000-ft. has encountered the No. 7 vein, which has been drifted on for 60 ft. both east and west of the crosscut. In the easterly 60 ft. ore was found over the entire distance in the hanging wall. The westerly 60 ft. was mostly in the foot wall but ore came in toward the west end.

On the 1,875-ft. level a crosscut is being driven in an effort to pick up Nos. 8 and 9 vein systems, encountered at shallower depths. It is expected that by March 1 work will have progressed to the point that more definite knowledge will be available as to the potentialities of these veins. If expectations are realized, the ore reserves will be so added to that consideration will be given to stepping up the mill from its present rate of around 90 tons daily to 300 tons daily. The decision on increased mill capacity will govern the action of the management toward increased shaft facilities. At the present time a two compartment shaft extends to the 1,000-ft. level. From there a three compartment winze has been sunk to the 1,875-ft. level, while an exploration winze extends from the 1,875-ft. to the 2,000-ft. level. It is proposed to raise the present three compartment winze through to the surface from the 1,000-ft. level and sink from the 1,875-ft. to the 2,000-ft. horizon. This will provide a production shaft capable of taking care of any increases in the milling programme that are at present foreseen.

The company has been continually improving its financial position through production and at the present time there are no outstanding debts.

Should Mining Profits Be Disbursed as Earned?

Second of Series of Articles on Results of Policies Followed by Leading Canadian Mines

No. 2, McIntyre Porcupine Mines

The policy of some mining companies in not disbursing their earnings as dividends but rather of holding back large sums for exploration and investment has brought up the question of whether it can be shown that this policy has in any case worked out to the advantage of the shareholders.

Last week Nipissing Mines was discussed and it was shown that in its 25 years of life it had never been able to bring a second property to the producing stage although an extensive exploration programme had been continuously carried on.

McIntyre Porcupine Mines has had as its policy for many years that of maintaining a substantial liquid position, disbursing as dividends only such amounts as would not impair the programme and policy the directors of the company had in mind.

In order to get the true perspective of McIntyre's operations, it is necessary to go back to its original holdings, consisting of two claims staked by Sandy McIntyre. These claims, the nucleus of the company's present holdings, now over 700 acres in extent, were added to in April, 1911, by the acquisition of the adjoining Pearl Lake plant. In 1915 the company acquired a share interest in the McIntyre Jupiter Mines. In 1916 the balance of the shares in this company were acquired and thus a further acreage was added to the company's holdings. In the same year the company acquired the McIntyre Extension Mines, whose property also adjoined. In November, 1918, a share interest in the Plenaurum Mines was acquired and in 1924 the balance of the outstanding stock was acquired and its holdings merged with that of the company. In 1924 a share interest in the Platt Veteran Gold Mines was acquired and in 1926 all the shares were acquired and the property merged with the other holdings.

Has Steadily Expanded

From the foregoing it will be seen that the policy of the company in steadily expanding by acquiring additional holdings enabled it to build for the future and fortify itself with potential mining areas that would serve to perpetuate itself and enable mining to continue long after the original holdings were worked out. While it is true that these property acquisitions were for the most part acquired by an exchange of shares the fundamental policy of maintaining an adequate liquid position served the company to greatest advantage when the development of these properties was undertaken.

The full significance of this policy is being exemplified particularly at the present time as developments at depth in the Platt Veteran section show increasing evidence that McIntyre has a new mine in the making in this area. At the time it was acquired there was nothing to mark it as being specially important and it was not until development work started last year, that the potentialities of this property were indicated.

By expanding its holdings the company eventually reached that stage in its development work where a new mill seemed justified. First a new shaft had to be sunk in a section of the property better able to serve the entire area. Sinking of this shaft and equipping it involved an expenditure of approximately $2,000,000. This shaft, known as No. 11, was sunk to a depth of 4,150 feet. It is a five compartment shaft equipped with one of the finest hoisting units on the continent.

Drove Deep Shaft

The step was not taken without pretty definite knowledge that it was fully justified, but had the company not had the $2,000,000 with which to prosecute this programme, it would have meant that the company must stand still or raise funds by the issue of additional treasury shares and thus dilute the holdings of the then existing shareholders. The policy of the company in maintaining a substantial liquid position enabled the company to see their programme carried to conclusion. This was only its initial step and subsequent development confirmed the earlier hopes and justified the erection of a new and larger mill.

Is Firmly Established

Again, the liquid resources of the company were adequate for the programme and last year at an expenditure of close to $2,000,000 it completed a new 2,000-ton daily capacity mill and outbuildings, which are commonly regarded as making the finest surface plant of any gold mine in the world today. With the completion of this new mill, all operations at the former site across Pearl Lake were abandoned. Though a producer since 1912 and a dividend payer since 1917, McIntyre is firmly established and fortified with ore that lends confidence for profitable production and dividends for many years to come.

Searched For New Mines

All the company's efforts to perpetuate itself as a mining enterprise have not centred around its operating property. For many years it has maintained an exploration staff in search of a property of merit that would provide a source of income for shareholders after finis had been written to its present effort. No properties held show evidence of great importance.

In 1920 the opportunity to secure an interest in the Blue Diamond Coal Company was submitted for shareholders' approval. At an original expenditure of approximately $450,000 this property was jointly acquired by McIntyre and a Temiskaming mining company and later an option was acquired on the holdings of the Canadian Coal Fields Ltd., in the same area.

Holds Semi-Anthracite

At the time the coal lands were acquired a profitable undertaking was expected. The Canadian Northern Railway was under contract to take the company's principal output. Since that time a merger of railways and the competition by other coal companies, together with the general chaotic condition of the coal industry in Alberta, made it necessary that operations should suspend. Since 1928 the property has been shut down and at first appearance it might seem that the undertaking was not justified. However, reports on some of the company's holdings far removed from the railway indicate that it has an enormous tonnage of semi-anthracite that ranks with the highest grade coal in the world, but which due to present economic conditions and lack of transportation must await developments and more favorable conditions.

A report from the Dominion Fuel Board confirms the potentialities of this coal deposit and there is hope that before the company's gold mining resources at Porcupine have become depleted it will have, in its Alberta holdings, the making of a coal-mining enterprise no less profitable than its present operations.

Liquid Assets Strong

At the end of the company's last fiscal year, March 31, 1931, the liquid assets of the company totalled $3,464,508. Since that time, however, a substantial amount has been expended on its new mill, but earnings during the current fiscal year will doubtless add substantially to this sum. The major part of these liquid assets consist of marketable securities.

It will thus be seen that while the company has made capital expenditures close to $4,000,000 in the past four years, or the equivalent of its authorized capitalization, it currently has in liquid assets close to $4,000,000.

These liquid assets call for some form of investment if any worth while return is to accrue to shareholders and it would be very much of a surprise if McIntyre in these investments had departed in any way from its usual conservative policy and it is safe to hazard a guess that if these investments were listed they would be found to be principally in government bonds of the first order, least susceptible to market fluctuations.

J. P. Bickell, president of the company, has said: "When the expansion programme is completed and the liquid assets of the company are commensurate with the magnitude of its operations, consideration will be given to disbursing a greater proportion of the earnings to the shareholders."

Alternative Policies

The record of McIntyre Mines shows that investments it has made out of accumulated profits to enlarge its holdings around its original mine have proven exceedingly profitable and have made possible the gigantic and highly successful company of today. On the other hand, investments made in other fields have failed to bring the returns anticipated.

The question that is under consideration in these articles is this:

Are shareholders entitled to all the profits of a mining company as earned (subject of course to the setting up of reserves for contingencies) or should the directors hold back a portion of the earnings and use them in exploration for and development of new properties in the hope of prolonging the life of the company after the original mine is worked out? In other words, did the shareholders invest in a mine or in a mining and exploration company? Or to put it still another way, do the shareholders want the company's directors to reinvest their profits for them or would they like to make their own guesses?

Views of readers would be welcomed.

BEATTIE GOLD MINES SECURES CHARTER

Quebec Property to be Directed by Ventures—Financed by Nipissing

From Our Own Correspondent

A Federal charter has been secured for the Battle Gold Mines, having an authorized capitalization of 5,000,000 shares of no par value. The head office of the company is Toronto and its affairs will be directed by Ventures Ltd.

Last month shareholders of Nipissing Mines approved of an agreement whereby that company would finance operations. The property consists of approximately 565 acres in Duparquet township, Quebec. During the past year it has been prospected by diamond drilling by Ventures.

If and when all options are exercised Nipissing will have 40 per cent interest in the new company and Ventures will have approximately 45 per cent.

Smelters Metal Output Declines During 1931

Metal production figures by Consolidated Smelters for the fourth quarter and for the year 1931 as compared with the corresponding figures for 1930 are as follows:

	1931	1930
Fourth Quarter:		
Lead (tons)	32,430	39,109
Zinc (tons)	19,079	33,546
Copper (tons)	109	513
Gold (oz.)	6,445	7,986
Silver (oz.)	1,469,375	1,626,727
Twelve Months:		
Lead (tons)	138,843	151,492
Zinc (tons)	101,124	119,550
Copper (tons)	607	7,064
Gold (oz.)	24,968	25,782
Silver (oz.)	6,572,119	6,936,759

Metal Prices

New York—January 12.

Copper—Electrolytic spot, 7½c. lb.

London—January 12.

(Long Ton)

Copper—Electrolytic spot, £49; future £50. Standard spot, £42 7s. 6d.; future £42 2s. 6d.

Tin—Spot, £143; future, £146.

Lead—Spot, £15 12s. 6d.; future, £15 12s. 6d.

Zinc—Spot, £14 12s. 6d.; future £15 2s. 6d.

Silver—19 15/16d. per ounce.

MILL FOR ASHLEY IS BEING PLANNED BY MINING CORP.

Old Cobalt Plant is to Be Moved to Matachewan

E. H. Rose, director of Mining Corporation of Canada, is on his way to Toronto from London, Eng. Upon his arrival it is expected that some decision will be arrived at regarding the construction of a mill at the company's subsidiary, the Ashley Gold Mines in the Matachewan district.

In the past weeks, Mining Corporation engineers have been working on the design of a mill and estimating its probable cost. At the present time, it is planned, if favorable consideration is given to the construction of a mill, to remove the present cyanide mill from the company's property in Cobalt. This building is of a steel construction which lends itself to dismantling and transportation. For equipment in the mill a great deal of the machinery used in Cobalt could be employed. The motors alone would have to be purchased, since the power available for Ashley will be 25 cycle and that of Cobalt is 60 cycle. At the present time, one of the compressors at the Frontier Mine is being removed to the Ashley property and a similar compressor is available from the Quemont property in the Rouyn district.

The power line to the Ashley property is now under construction by the Canada Northern Power Corp. and it is expected that power will be available by the end of this month.

Underground work at the Ashley is proceeding on the two new levels, 375 ft. and 500 ft., where developments are reported to indicate values somewhat better than encountered on the levels above.

McINTYRE'S WORK IN PLATT VETERAN AREA REASSURING

Over 700 Ft. of Ore Developed on 3,750 Ft. Level

The Platt Veteran section of the McIntyre Porcupine Mines property continues to respond to development.

An exploration programme was started early last year with a 3,000-ft. crosscut driven in a southeasterly direction from the 3,750-ft. level in No. 11 shaft area. This was entirely virgin ground that had never been explored in any way. Success first came when a vein was encountered well toward the end of the crosscut. Work was pressed and a further vein was encountered which has been under development in past months. Drifts have been driven easterly and westerly for a total length of about 700 ft. in ore. In the east drift a dyke was cut about 400 ft. east of the crosscut, and after passing through a barren area, commercial ore was again encountered with the face of this drift still in ore. This vein has averaged approximately 9 ft. in width, showing values around $8 per ton. A raise was put up for 132 ft. in ore and drifting started on a sub-level which has confirmed the existence of the ore at this horizon. Owing to the work being at dead ends a long distance from the shaft, ventilation is necessarily poor and at the present time a crosscut is being driven on the 3,875-ft. horizon toward the vein now under development. When this lower crosscut encounters the vein it is proposed to sink a winze from the 3,750-ft. horizon connecting the crosscuts to provide a circulation of air. At the present time, only one machine is used on development work and while there is no need for development work being stressed, with improved ventilation, greater development activities will be permitted.

Mill Up To Capacity

In the new mill, production has been stepped up to full rated capacity of 2,000 tons daily. While recovery has been somewhat lower in recent months than was obtained in the old mill, this was to be expected. There is a certain amount of absorption as well as tuning up necessary before production would be maintained at a maximum. In the three months ended December 31 last, it is expected that the total recoveries will be somewhat more than in the quarter ended September 30 last, while in the present quarter, the last in the company's fiscal year, it is expected recovery will be the greatest in the history of the company.

Mines Department Issues Booklet on Resources

The fifth edition of Ontario's Mines & Mineral Resources has just been issued by the Ontario Department of Mines.

This 100-page booklet is a revision and an elaboration on previous issues and covers in a comprehensive manner information and data on Ontario's leading mineral and structural materials.

Amity Copper Is Considering Company's End

At the annual meeting of shareholders of Amity Copper & Gold Mines held in Toronto January 11, consideration was given to winding up the company.

Developments at the company's property in the Boston Creek area, Ont., were suspended in May, 1930. Operations were carried to a depth of 1,000 ft. and patches of copper ore, some of bornite, were encountered. The ore while high-grade did not indicate the mine possesses large tonnage possibilities and low copper prices forced the company to suspend. While no definite decision has been reached as to the winding up of the company directors have not yet determined what will be done with the company's assets. At the mine there is an electric mining plant capable of operating to a depth of 1,000 ft.

The company has approximately $33,000 in outstanding liabilities but in the past the directors have advanced funds to meet any obligations incurred by the company.

At the present time approximately 2,500,000 shares of the $3,000,000, $1 par value capitalization is outstanding. About 1,200,000 shares are pooled indefinitely.

HARGAL OILS REPORT LOSS DURING 1931

Liquid Position Adequate But Account Due from Underwriter Reappears

Annual report of Hargal Oils for the fiscal year ended December 31, showed a net loss of $6,116 had been incurred as compared with a net profit of $395 in the previous year.

The current assets of the company total $157,000 and are made up of $31,746 in cash, $73,685 in accounts receivable, including $69,625 due from the underwriters of the company's stock. In connection with this latter item it is interesting to note that the same item appeared in last year's annual statement, and there is no indication that the market for oil securities will be such that will permit underwriters completing their agreement. Without this item the current assets would be $87,375.

The company has one well in Turner Valley, which gave a very limited production for most of the past year. In November and October no production at all was delivered to the refinery.

The following is a comparative statement of income and working capital for 1930 and 1931:

Income Account

	1931	1930
	$	$
Sales	7,407	8,668
Miscell. income	4,614	4,764
Total income	12,021	13,432
Royalties, taxes & oper. expense	7,880	5,594
Admis. & deplet.	10,257	7,443
Net loss	6,116	*395
*Profit.		
Working Capital		
Current assets	157,009	164,132
Current liabilities	9	825
Working capital	157,000	164,182

Weighted Mining Index

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 59.3 for the week ending January 7th, as compared with 57.8 for the previous week.

Eleven gold stocks rose from 58.1 to 60.0, four gold-copper stocks from 60.2 to 60.8, and five silver and miscellaneous stocks fell from 27.3 to 26.7.

Additional Mining News on Page 19

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